

SWICORP WABEL REIT FUND
(Managed by SWICORP Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AND REPORT ON REVIEW

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

SWICORP WABEL REIT FUND
(Managed by SWICORP Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

As at 30 June 2021

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**Independent auditor's review report on the condensed interim financial statements
To the unitholders of SWICORP WABEL REIT Fund
(Managed by SWICORP Company)**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SWICORP Wabel REIT Fund ("the Fund") being managed by SWICORP Company (the "Fund Manager") as at 30 June 2021, and the related condensed interim statements of comprehensive income, cash flows and changes in net assets for the six-month period then ended, and notes to the condensed interim financial statements, including a summary of significant accounting policies and other explanatory notes. The Fund Manager is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to 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 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 the condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are 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 statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

Report on other legal and regulatory requirements

As at the date of this report, the Fund's Board of Directors have approved the audit fees as per the requirements of the Real Estate Investment Fund Regulations issued by the Capital Market Authority. However, the terms and conditions of the Fund have not yet been updated. This matter has no material impact on the condensed interim financial statements.

For Alluhaid & Alyahya Chartered Accountants



Turki A. Alluhaid
Certified Public Accountant
Registration No. 438

Riyadh: 9 Muharram 1443H
(17 August 2021)



SWICORP WABEL REIT FUND
(Managed by SWICORP Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	30 June 2021 (Unaudited) SR	31 December 2020 (Audited) SR
ASSETS			
NON-CURRENT ASSETS			
Right-of-use assets		7,401,380	7,638,444
Investment properties	6	886,289,745	908,547,393
TOTAL NON-CURRENT ASSETS		893,691,125	916,185,837
CURRENT ASSETS			
Other receivables		9,942,726	10,908,610
Rental income receivable	8	26,998,724	29,005,923
Amounts due from a related party	9	2,562,593	4,929,167
Cash and cash equivalents	10	36,681,226	21,333,060
TOTAL CURRENT ASSETS		76,185,269	66,176,760
TOTAL ASSETS		969,876,394	982,362,597
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current portion of lease liabilities		6,854,940	7,338,538
CURRENT LIABILITIES			
Unearned income	11	16,747,153	19,779,639
Amounts due to related parties	9	1,832,905	1,867,487
Accrued expenses		451,921	419,968
Current portion of lease liabilities		650,000	650,000
Zakat payable	12	1,024,333	1,878,880
Dividend payable	17	2,703,854	2,705,774
TOTAL CURRENT LIABILITIES		23,410,166	27,301,748
TOTAL LIABILITIES		30,265,106	34,640,286
NET ASSETS		939,611,288	947,722,311
Units in issue (number)	13	118,000,000	118,000,000
Per unit value (SR)	7	7.96	8.03
Per unit fair value (SR)	7	7.96	8.03

The accompanying notes 1 to 21 form an integral part of these condensed interim financial statements.

SWICORP WABEL REIT FUND
(Managed by SWICORP Company)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	<i>For the six-month period 30 June 2021 SR</i>	<i>For the six-month period 30 June 2020 SR</i>
INCOME			
Rental income from investment properties		28,220,710	27,098,243
TOTAL INCOME		28,220,710	27,098,243
EXPENSES			
Management fee	9	(3,521,951)	(3,593,714)
Custodian fee		(117,450)	(299,108)
Property operations expenses and manager fee		(9,409,406)	(6,250,162)
Reversal of expected credit losses	8	2,375,271	489,381
General and administrative		(17,111,068)	(19,470,824)
TOTAL EXPENSES		(27,784,604)	(29,124,427)
OPERATING PROFIT / (LOSS)		436,106	(2,026,184)
Other income	9	-	6,000,000
Finance charges		(166,402)	(174,491)
PROFIT FOR THE PERIOD		269,704	3,799,325
Impairment loss on investment properties	6	(8,353,478)	(143,117,655)
NET LOSS FOR THE PERIOD AFTER IMPAIRMENT AND BEFORE ZAKAT		(8,083,774)	(139,318,330)
Zakat	12	(27,249)	(1,690,025)
NET LOSS FOR THE PERIOD AFTER ZAKAT		(8,111,023)	(141,008,355)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(8,111,023)	(141,008,355)

The accompanying notes 1 to 21 form an integral part of these condensed interim financial statements.

SWICORP WABEL REIT FUND
(Managed by SWICORP Company)

CONDENSED INTERIM STATEMENT OF CASH FLOWS

	<i>Note</i>	<i>For the six-month period 30 June 2021 SR</i>	<i>For the six-month period 30 June 2020 SR</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		(8,083,774)	(139,318,330)
<i>Adjustments to reconcile profit for the period to net cash flows:</i>			
Depreciation on investment properties	6	15,358,551	17,626,178
Depreciation on right of use asset		237,064	238,374
Impairment loss on investment properties	6	8,353,478	143,117,655
Reversal allowance for expected credit losses	8	(2,375,271)	(489,381)
Finance charges		166,402	174,491
		13,656,450	21,348,987
<i>Working capital adjustments:</i>			
Other receivables		965,884	656,298
Rent receivable	8	4,382,470	5,133,421
Amounts due from a related party	9	2,366,574	52,283,998
Unearned income	11	(3,032,486)	(3,726,153)
Amounts due to related parties	9	(34,582)	16,700,833
Accrued expenses		31,954	(362,947)
Cash flows generated from operating activities		18,336,264	92,034,437
Zakat paid		(881,796)	-
Net cash flows from operating activities		17,454,468	92,034,437
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment properties	6	(1,454,382)	(1,904,133)
Net cash flows used in investing activities		(1,454,382)	(1,904,133)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability paid		(650,000)	-
Dividends paid	17	(1,920)	(49,136,189)
Net cash flows used in financing activities		(651,920)	(49,136,189)
NET INCREASE IN CASH AND CASH EQUIVALENTS		15,348,166	40,994,115
Cash and cash equivalents at the beginning of the period		21,333,060	333,756
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10	36,681,226	41,327,871
NON-CASH TRANSACTIONS			
Principal portion of the lease liabilities		7,401,380	7,879,438

The accompanying notes 1 to 21 form an integral part of these condensed interim financial statements.

SWICORP WABEL REIT FUND
(Managed by SWICORP Company)

CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS

For the six-month period ended 30 June 2021

	<i>Fund units SR</i>	<i>Cumulative loss SR</i>	<i>Total unitholders' net assets SR</i>
Net asset value attributable to redeemable the unitholders at 31 December 2019 (audited)	1,180,000,000	(30,491,828)	1,149,508,172
Loss for the year	-	(141,008,355)	(141,008,355)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(141,008,355)	(141,008,355)
Dividend distribution (note 17)	-	(50,740,000)	(50,740,000)
Net asset value attributed to the unitholders at 30 June 2020 (unaudited)	<u>1,180,000,000</u>	<u>(222,240,183)</u>	<u>957,759,817</u>
	<i>Fund Units SR</i>	<i>Cumulative loss SR</i>	<i>Total unitholders' net assets SR</i>
Net asset value attributed to the unitholders at 31 December 2020 (audited)	1,180,000,000	(232,277,689)	947,722,311
Loss for the period	-	(8,111,023)	(8,111,023)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(8,111,023)	(8,111,023)
Net asset value attributable to redeemable the unitholders at 30 June 2021 (unaudited)	<u>1,180,000,000</u>	<u>(240,388,712)</u>	<u>939,611,288</u>

The accompanying notes 1 to 21 form an integral part of these condensed interim financial statements.

SWICORP WABEL REIT FUND

(Managed by SWICORP Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited)

30 June 2021

1 CORPORATE INFORMATION

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

The Fund is being managed by SWICORP Company (the "Fund Manager"), a closed joint stock company licensed by Capital Market Authority of the Kingdom of Saudi Arabia with commercial registration number 1010233360, and an Authorized Person license number 12161-37. The primary investment objective of the Fund is to provide its investors with regular income by investing in income generating real estate assets in the Kingdom of Saudi Arabia, excluding the Holy cities of Makkah and Medina.

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

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

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

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

Substantially all of the assets of the Fund are held by Al Bilad Capital (the "custodian").

Fund Manager's registered office is Floor 49, Kingdom Tower, P.O. Box 2076, Riyadh 11451, Kingdom of Saudi Arabia.

2 REGULATING AUTHORITY

The Fund operates in accordance with Real Estate Investment Fund Regulations ("REIFR") and Real Estate Investment Traded Funds ("REITF") instructions issued by the Capital Market Authority ("CMA") detailing requirements for all real estate funds operating within the Kingdom of Saudi Arabia.

3 BASIS OF PREPARATION

3.1 *Statement of compliance*

These condensed interim financial statements for the six-months period ended 30 June 2021 have been prepared in accordance with International Accounting Standard 34 ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Fund's annual financial statements for the year ended 31 December 2020, which have been prepared 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.

SWICORP WABEL REIT FUND
(Managed by SWICORP Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited) (continued)
30 June 2021

3 BASIS OF PREPARATION

3.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, using accrual basis of accounting and the going concern concept.

3.3 Functional and presentation currency

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

3.4 Comparative information

The Fund has presented the comparative information for the six-month period ended 30 June 2020 for the interim statements of comprehensive income, cash flow and change in net assets and 31 December 2020 for its interim condensed statements of financial position .

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The significant accounting judgments, estimates and assumptions made by management in applying the Fund’s accounting policies and the key sources of estimation uncertainty were the same as those described in the Fund’s annual financial statements as at 31 December 2020.

5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Fund’s annual financial statements for the year ended 31 December 2020. There are new standards, amendments and interpretations apply for the first time in 2021, but do not have an impact on the condensed interim financial statements of the Fund.

There are other several amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund’s condensed interim financial statements. The Fund has not early adopted any standard, interpretations or amendments that has been issued but not yet effective.

6 INVESTMENT PROPERTIES

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

30 June 2021

<i>Description</i>	<i>Cost</i>	<i>Accumulated depreciation</i>	<i>Impairment (note 6.3.5)</i>	<i>Net book value (unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Dawadmi Mall	168,500,706	(23,602,819)	(54,199,868)	90,698,019
AlKhair Mall	324,914,532	(15,885,154)	(75,152,637)	233,876,741
Hafar Al-Batin Mall	472,037,273	(44,615,186)	(26,381,552)	401,040,535
Tabouk Mall	221,741,638	(20,741,126)	(40,326,062)	160,674,450
	<u>1,187,194,149</u>	<u>(104,844,285)</u>	<u>(196,060,119)</u>	<u>886,289,745</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited) (continued)
30 June 2021

6 INVESTMENT PROPERTIES (continued)

31 December 2020

Description	Cost	Accumulated depreciation	Impairment (note 6.3.5)	Net book Value (audited)
	SR	SR	SR	SR
Dawadmi Mall	168,156,927	(20,549,275)	(44,755,233)	102,852,419
AlKhair Mall	324,914,532	(13,495,551)	(80,858,307)	230,560,674
Hafar Al-Batin Mall	471,552,074	(37,500,830)	(20,412,754)	413,638,490
Tabouk Mall	221,116,235	(17,940,078)	(41,680,347)	161,495,810
	<u>1,185,739,768</u>	<u>(89,485,734)</u>	<u>(187,706,641)</u>	<u>908,547,393</u>

6.1 a– the useful life of freehold properties is assessed at 25 years from date of acquisition, except for Dawadmi Mall (leasehold) which is assessed at 19 years from the date of acquisition.

6.1 b– the useful life of leasehold properties is assessed at remaining land lease period from the date of acquisition.

6.2 Freehold and leasehold properties

Land comprises of the lands acquired on which the buildings are built. The Fund freehold properties in Riyadh, Hafar Al-Batin and Tabuk with an aggregate area of 185,721 square meters of land on 30 June 2021. Additionally, the Fund has a leasehold land on which the investment property in Dawadmi is built with land area of 72,678 square meter. The consideration for the properties was partly paid in cash and partly settled through issuance of 79,060,000 units of the Fund at the time of acquisition.

6.3 Listed below are the details of the investment properties:

6.3.1 Dawadmi Mall

This property is a fully constructed commercial facility on a leasehold land, located in Dawadmi, Kingdom of Saudi Arabia ("KSA").

6.3.2 AlKhair Mall

This property is a fully constructed commercial facility on a freehold land, located in Al Malga District, Riyadh, KSA.

6.3.3 Hafar Al-Batin Mall

This property is a fully constructed commercial facility on a freehold land, located in Al Rayan District, Hafar Al-Batin, KSA.

6.3.4 Tabouk Mall

This property is a fully constructed commercial facility on a freehold land, located in Al Rajhi District, Tabouk, KSA.

6.3.5 Impairment of investment properties

Investment properties are susceptible to be impacted on fair value measurement as a result of the COVID-19 pandemic and the ensuing economic and market disruptions varying across countries, markets and industries. Uncertainty is likely to continue, even as some jurisdictions begin to ease the restrictions and open up their economies. A significant decrease in volume or activity in a market can also influence the valuation techniques used to determine the recoverable amount of an asset.

During the period, the investment properties were tested for impairment and the management noted their carrying amount not to be fully recoverable. As a result, the management has recognised a net impairment of SR 8,353,478 (impairment reversal of SR 7,059,955 and an impairment of SR 15,413,433) (30 June 2020: impairment of SR 143,117,655 and 31 December 2020: impairment of SR 151,354,068) to adjust the value of its investment properties to its recoverable amount based on the average fair value as the reporting period, determined by the independent evaluators (refer note 7).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited) (continued)
30 June 2021

7 EFFECT ON NET ASSET VALUE IF INVESTMENTS IN REAL ESTATE PROPERTIES ARE FAIR VALUED

In accordance with Article 35 and 36 of the REIFR issued by CMA in the Kingdom of Saudi Arabia, the Fund Manager evaluates the Fund's real estate assets based on two evaluations prepared by independent evaluators. However, in accordance with the requirement in the Kingdom of Saudi Arabia, investment in real estate properties are carried at cost less depreciation and impairment, if any, in these financial statements. Accordingly, the fair value below is disclosed for information purposes.

7.1 The fair value of the investment properties is determined by two selected appraisers, 'BARCODE Company' and 'BUSSMA Company and Partner for Real Estate Valuation'. As at period end, the valuation of investment properties are as follows:

	<i>Appraiser 1</i>	<i>Appraiser 2</i>	<i>Average</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>30 June 2021 (unaudited)</i>			
Dawadmi Mall	89,000,000	92,396,039	90,698,020
AlKhair Mall	226,000,000	241,753,481	233,876,740
Hafar Al-Batin Mall	391,120,000	410,961,070	401,040,535
Tabouk Mall	168,500,000	152,848,900	160,674,450
	<u>874,620,000</u>	<u>897,959,490</u>	<u>886,289,745</u>
<i>31 December 2020 (audited)</i>			
	<i>Appraiser 1</i>	<i>Appraiser 2</i>	<i>Average</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
Dawadmi Mall	102,000,000	103,704,839	102,852,419
AlKhair Mall	222,000,000	239,121,348	230,560,674
Hafar Al-Batin Mall	416,000,000	411,276,979	413,638,490
Tabouk Mall	174,000,000	148,991,621	161,495,810
	<u>914,000,000</u>	<u>903,094,787</u>	<u>908,547,393</u>

Management has used the average of the two valuations for the purposes of disclosing the fair value of the investment properties. The investment properties were valued taking into consideration a number of factors, including the area and type of property. Below is an analysis of the investment properties' fair value against carrying value:

7.2 The unrealised loss on investment properties based on fair value evaluation is set out below:

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>(unaudited)</i>	<i>(audited)</i>
	<i>SR</i>	<i>SR</i>
Fair value of investments in real estate properties (note 7.1)	886,289,745	908,547,393
Less: Carrying value of investments in real estate properties (note 6)	(886,289,745)	(908,547,393)
Net impact based on fair value evaluation	-	-
Units in issue	118,000,000	118,000,000
Impact per unit share based on fair value evaluation	-	-

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited) (continued)
30 June 2021

7 EFFECT ON NET ASSET VALUE IF INVESTMENTS IN REAL ESTATE PROPERTIES ARE FAIR VALUED (continued)

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

	<i>30 June 2021</i> <i>(unaudited)</i> SR	<i>31 December 2020</i> <i>(audited)</i> SR
Net asset value at cost, as presented in these financial statements	939,611,288	947,722,311
Net impact based on real estate evaluations (note 7.2)	-	-
Net asset based on fair value	939,611,288	947,722,311

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

	<i>30 June 2021</i> <i>(unaudited)</i> SR	<i>31 December 2020</i> <i>(audited)</i> SR
Net asset value per unit, at cost as presented in these financial statements	7.96	8.03
Impact on net asset value per unit on account of unrealised loss based on fair value evaluations (note 7.2)	-	-
Net asset value per unit at fair value	7.96	8.03

8 RENTAL INCOME RECEIVABLE

This account represents the rent receivable from the investment properties in accordance with the terms of the corresponding tenancy agreements. The rent receivables are current in nature.

During the period, the Fund has made reversal of allowance for expected credit losses amounting to SR 2,375,271 (30 June 2020: 489,381).

	<i>30 June 2021</i> <i>(unaudited)</i> SR	<i>31 December 2020</i> <i>(audited)</i> SR
Rent receivable	45,514,978	49,897,448
Less: Allowance for expected credit losses	(18,516,254)	(20,891,525)
	26,998,724	29,005,923

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

	<i>30 June 2021</i> <i>(unaudited)</i> SR	<i>31 December 2020</i> <i>(audited)</i> SR
At the beginning of the period / year	20,891,525	17,959,611
(Reversal) allowance made during the period / year	(2,375,271)	2,931,914
At the end of the period / year	18,516,254	20,891,525

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited) (continued)
30 June 2021

9 RELATED PARTY TRANSACTIONS AND BALANCES

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

a) Asset management fee

In consideration for managing the assets of the Fund, the Fund Manager in accordance with the Terms and Conditions of the Fund charges the Fund a management fee equal to 0.75% of the net asset value of the Fund calculated semi-annually in arrears and payable quarterly.

b) Property operations and management fee

In consideration for managing the properties of the Fund, the Fund Manager in accordance with the Terms and Conditions of the Fund charges the property manager a property management fee and operating expenses equal to 3% and 17% of the rental income, respectively, calculated annually and payable semi-annually.

c) Board of Directors remuneration

Each independent member of the Board of Directors is allowed a remuneration of SR 5,000 excluding out of pocket expenses annually.

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

<i>Related parties</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>For the period ended</i>	<i>For the period ended</i>
			<i>30 June 2021</i>	<i>30 June 2020</i>
			<i>SR</i>	<i>SR</i>
Wabel Al Arabia for Investment Company	Property manager and unitholder	Rental income from investment properties	3,083,316	15,132,719
		Media and advertising income	-	6,000,000
		Property manager fee and operating expenses	9,209,406	6,250,162
		Payments made on behalf of the Fund	(5,080,514)	(5,700,314)
		Receipts from the Fund	(1,693,489)	(69,469,966)
		Dividends paid	-	(13,536,400)
Fund Manager and SWICORP Company	unitholder	Management fee	3,521,951	3,593,714
		Dividends paid	-	1,210,873

The following are the details of the related party balances at the period-end:

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>(unaudited)</i>	<i>(audited)</i>
<i>Amounts due from a related party</i>	<i>SR</i>	<i>SR</i>
Wabel Al Arabia for Investment Company	2,562,593	4,929,167

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited) (continued)
30 June 2021

9 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	<i>30 June 2021</i> <i>(unaudited)</i> SR	<i>31 December 2020</i> <i>(audited)</i> SR
<i>Amounts due to related parties</i>		
SWICORP Company	1,807,905	1,842,487
Board oversight fee	25,000	25,000
	<u>1,832,905</u>	<u>1,867,487</u>

The unit holder Wabel Al Arabia for Investment Company held 62,960,000 units as at 30 June 2021 (31 December 2020: 62,960,000 units).

As at 30 June 2021, board members of the Fund held 975,000 units (31 December 2020: 1,007,657 units).

10 CASH AND CASH EQUIVALENTS

As at 30 June 2021, the cash and cash equivalents with an amount of SR 36,681,226 (2020: SR 21,333,060) includes a balance of SR 13,231,774 (2020: SR 13,231,774) which is maintained with an account at Riyadh Bank under the name of the Fund Manager and not under the name of the Fund.

11 UNEARNED INCOME

Represents rent income billed in advance in respect to the investment properties. The movement in unearned income for the period / year is as follows:

	<i>30 June 2021</i> <i>(unaudited)</i> SR	<i>31 December 2020</i> <i>(audited)</i> SR
Opening during the period / year	19,779,639	25,837,783
Received during the period / year	25,369,215	48,108,357
Recognised during the period / year	(28,401,701)	(54,166,501)
	<u>16,747,153</u>	<u>19,779,639</u>

12 ZAKAT

12.1 Charge for the period

Zakat charge of SR 27,249 (30 June 2020: SR 1,690,025) provided in the condensed interim statement of comprehensive income for the period ended 30 June 2021 consists of current period's provision. The current period's provision is based on the following:

	<i>30 June 2021</i> <i>(unaudited)</i> SR	<i>30 June 2020</i> <i>(unaudited)</i> SR
Unitholders equity	1,180,000,000	1,180,000,000
Unitholders account and provisions	26,021,194	24,642,042
Book value of long term assets and other assets	(1,125,970,734)	(1,079,858,648)
	<u>80,050,460</u>	<u>124,783,394</u>
Zakat base before adjusted net income for the Georgian year	40,703,624	128,660,844
Adjusted net income the period / year	269,704	3,799,325
	<u>40,973,328</u>	<u>132,460,169</u>

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12 ZAKAT (continued)

Zakat is payable at 2.5% higher of approximate zakat base or adjusted net income.

12.3 Zakat provision

The movement in the zakat provision for the period ended 30 June is as follows:

	<i>30 June 2021</i> <i>(unaudited)</i> <i>SR</i>	<i>30 June 2020</i> <i>(unaudited)</i> <i>SR</i>
At beginning of the period / year	1,878,880	1,980,825
Provided	1,024,333	1,690,025
Reversal (i)	(997,084)	-
	27,249	1,690,025
Payments	(881,796)	-
At ending of the period / year	1,024,333	3,670,850

- (i) During the period, the Fund reversed excessive provision of zakat pertaining to prior periods amounting to SR 997,084 (2020: nil).

12.4 Status of assessment

The Fund has filed the zakat returns for the period up to 2020 and no zakat assessments have yet been raised by the Zakat, Tax and Customs Authority (“ZATCA”).

13 UNIT TRANSACTION

Transaction in units of the Fund for the period / year is summarised as follows:

	<i>30 June 2021</i> <i>(numbers)</i>	<i>31 December 2020</i> <i>(numbers)</i>
Units at the end of the period / year	118,000,000	118,000,000

14 FINANCIAL INSTRUMENTS - FAIR VALUE

Fair value

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

Assets and liabilities for which fair value is recognised or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited) (continued)
30 June 2021

14 FINANCIAL INSTRUMENTS - FAIR VALUE (continued)

Fair value (continued)

Financial assets consist of rent receivables, due from a related party and other receivables. Financial liabilities consist of unearned income, accrued management fee and accrued expenses. The fair values of financial assets and financial liabilities are not materially different from their carrying values.

The following table shows the fair value of non-financial assets disclosed as at period end (refer note 7):

<i>30 June 2021 (unaudited)</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>Investment properties</i>				
Dawadmi Mall	-	-	90,698,019	90,698,019
AlKhair Mall	-	-	233,876,740	233,876,740
Hafar Al-Batin Mall	-	-	401,040,535	401,040,535
Tabuk Mall	-	-	160,674,451	160,674,451
	-	-	886,289,745	886,289,745
<i>31 December 2020 (audited)</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>Investment properties</i>				
Dawadmi Mall	-	-	102,852,419	102,852,419
AlKhair Mall	-	-	230,560,674	230,560,674
Hafar Al-Batin Mall	-	-	413,638,490	413,638,490
Tabuk Mall	-	-	161,495,810	161,495,810
	-	-	908,547,393	908,547,393

When the fair value of items disclosed in these condensed interim financial statements cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risk, correlation and volatility.

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

The fair values of investment properties were assessed by BARCODE Company and BUSSMA Company and Partner for Real Estate Valuation as disclosed in note 6. They are accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment properties being valued.

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (unaudited) (continued)
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14 FINANCIAL INSTRUMENTS - FAIR VALUE (continued)

Fair value (continued)

The assumptions used in determining the fair values of the investment properties as at 30 June 2021 and 31 December 2020 are as follows:

30 June 2021

Evaluator: BUSSMA Company and Partner for Real Estate Valuation

<u>Description</u>	<u>Valuation approach</u>	<u>Key assumptions</u>
Dawadmi Mall	Discounted cash flow	Discount rate
AlKhair Mall	Income capitalisation	Capitalisation rate
Hafar Al-Batin Mall	Income capitalisation	Capitalisation rate
Tabuk Mall	Income capitalisation	Capitalisation rate

Evaluator: BARCODE Company

<u>Description</u>	<u>Valuation approach</u>	<u>Key assumptions</u>
Dawadmi Mall	Discounted cash flow	Discount rate
AlKhair Mall	Income capitalisation	Capitalisation rate
Hafar Al-Batin Mall	Income capitalisation	Capitalisation rate
Tabuk Mall	Income capitalisation	Capitalisation rate

31 December 2020

Evaluator: BUSSMA Company and Partner for Real Estate Valuation

<u>Description</u>	<u>Valuation approach</u>	<u>Key assumptions</u>
Dawadmi Mall	Discounted cash flow	Discount rate
AlKhair Mall	Income capitalisation	Capitalisation rate
Hafar Al-Batin Mall	Income capitalisation	Capitalisation rate
Tabuk Mall	Income capitalisation	Capitalisation rate

Evaluator: BARCODE Company

<u>Description</u>	<u>Valuation approach</u>	<u>Key assumptions</u>
Dawadmi Mall	Discounted cash flow	Discount rate
AlKhair Mall	Discounted cash flow	Discount rate
Hafar Al-Batin Mall	Discounted cash flow	Discount rate
Tabuk Mall	Discounted cash flow	Discount rate

15 OPERATING SEGMENTS

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

16 CONTINGENCIES

In the opinion of Fund manager there are no contingencies as at the reporting date.

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17 DIVIDENDS DISTRIBUTION

No dividends were distributed during the six-months period ended 30 June 2021 (30 June 2020: on 16 April 2020, the Fund' Board announced to distribute dividends for the year ended 31 December 2019 amounting to SR 0.43 per unit totalling SR 50,740,000). Furthermore, an amount of SR 2,703,854 (31 December 2020: SR 2,705,774) is still payable as at 30 June 2021 from the Fund's dividend account.

18 CHANGES IN FUND'S TERMS AND CONDITIONS

During the six-month period ended 30 June 2021, the Fund Manager has made certain changes to the terms and conditions of the Fund stated as follows:

- A) Agreeing to add real estate brokerage fees to a maximum of 2.5% of any real estate investment acquired.
- B) Agreeing to remove the cap of 17% for operating expenses on the current property management agreement effective retrospectively from 1 January 2020.
- C) Agreeing to allow property management fee from 3% of the total revenue to be a maximum of 10% of the total annual revenue of the real estate assets for managing, leasing, and collecting on behalf of the Fund.
- D) Agreeing to add definitions and other clarifications for respective fees.
- E) Agreeing to change the property manager during the period to become the Retail Real Estate Company.

19 EVENTS AFTER THE END OF THE REPORTING DATE

There is no subsequent event after the end of the reporting date.

20 LAST VALUATION DAY

The last valuation day for the period was 30 June 2021.

21 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Fund's Board of Directors on 9 Muharram 1443 (corresponding to 17 August 2021).