

RIYAD REIT FUND
A REAL ESTATE INVESTMENT TRADED FUND
(MANAGED BY RIYAD CAPITAL)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
TOGETHER WITH
AND INDEPENDENT AUDITOR'S REVIEW REPORT

**RIYAD REIT FUND
(MANAGED BY RIYAD CAPITAL)**

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

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE UNITHOLDERS OF
RIYAD REIT FUND

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Riyadh REIT Fund (the "Fund") and its subsidiary (together "Group") managed by Riyadh Capital (the "Fund Manager") as at 30 June 2025 and the related interim condensed consolidated statements of comprehensive income, interim condensed consolidated statement of changes in net assets (Equity) and interim condensed consolidated statement cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For PKF Albassam
Chartered Accountants



Ahmed A. Mohandis
Certified Public Accountant
License No. 477
Riyadh: 17 Safar 1447 H
Corresponding to: 11 August 2025

RIYAD REIT FUND
(MANAGED BY RIYAD CAPITAL)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 (UNAUDITED)

(Amounts in Saudi Riyals)

	<u>Notes</u>	<u>30-Jun-25</u> <u>(Unaudited)</u>	<u>31-Dec-24</u> <u>(Audited)</u>
ASSETS			
Cash and cash equivalents		62,141,912	112,212,026
Accounts receivable, net		49,449,747	52,814,740
Inventory		549,147	482,524
Prepayments and other receivables		27,603,655	45,239,520
Properties under development		86,632,976	69,045,438
Investments carried at fair value through profit or loss (FVTPL)		703,416,644	703,416,644
Investment properties, net	6	1,779,759,304	1,789,666,465
TOTAL ASSETS		2,709,553,385	2,772,877,357
LIABILITIES			
Islamic borrowings	7,9	1,375,483,078	1,393,666,200
Accounts payable		13,581,118	13,883,629
Unearned rental income		22,478,951	28,805,723
Accrued expenses & other liabilities		31,596,695	29,049,045
Accrued management fees	5,9	86,864,874	75,072,841
Employees' end of service benefits		4,546,878	4,047,165
TOTAL LIABILITIES		1,534,551,594	1,544,524,603
Net assets attributable to the unit holders		1,175,001,791	1,228,352,754
Units in issue (numbers)		171,697,101	171,697,101
Book value attributable to each unit at book value		6.84	7.15
Fair value attributable to each unit at fair value	8	10.31	10.17

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

RIYAD REIT FUND
(MANAGED BY RIYAD CAPITAL)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) / INCOME (UNAUDITED)

For the six-month period ended 30 June 2025

(Amounts in Saudi Riyals)

	<u>Notes</u>	<u>30-Jun-25</u>	<u>30-Jun-24</u>
Rental and operating income		121,199,317	132,518,169
Cost of revenues		(30,701,792)	(31,929,192)
Investment properties depreciation	6	(16,467,408)	(16,894,437)
Reversal of impairment in investment properties	6	6,560,247	-
Gross profit		80,590,364	83,694,540
Property management expenses		(5,050,227)	(5,489,253)
Fund management fees	5,9	(11,792,033)	(14,551,128)
Custody fees	9	(50,000)	(50,000)
Allowance for expected credit loss		(20,087,620)	(2,401,237)
General and administrative expenses		(31,206,118)	(32,449,098)
Net operating profit		12,404,366	28,753,824
Dividend income from investments carried at FVTPL		3,527,019	20,557,439
Finance cost	9	(44,868,625)	(44,243,880)
Other income		3,057,352	897,887
(Loss) / income for the period		(25,879,888)	5,965,270
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(25,879,888)	5,965,270

Cash from operations	<u>Notes</u>	<u>30-Jun-25</u>	<u>30-Jun-24</u>
Total (loss) / income for the period		(25,879,888)	5,965,270
Allowance for expected credit loss		20,087,620	2,401,237
Reversal of impairment in investment properties	6	(6,560,247)	-
Investment properties depreciation	6	16,467,408	16,894,437
Total funds from operations		4,114,893	25,260,944

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

RIYAD REIT FUND
(MANAGED BY RIYAD CAPITAL)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(EQUITY) (UNAUDITED)
For the six month-period ended 30 June 2025
(Amounts in Saudi Riyals)

	<u>Notes</u>	<u>30-Jun-25</u>	<u>30-Jun-24</u>
Net assets value attributable to the unit holders at the beginning of the period		1,228,352,754	1,467,111,963
Total comprehensive (loss) / income for the period		(25,879,888)	5,965,270
Dividends paid during the period	12	(27,471,075)	(25,754,564)
Net assets value attributable to the unit holders at the end of the period		1,175,001,791	1,447,322,669

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

RIYAD REIT FUND
(MANAGED BY RIYAD CAPITAL)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2025

(Amounts in Saudi Riyals)

	<u>Notes</u>	<u>30-Jun-25</u>	<u>30-Jun-24</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Total (loss) / income for the period		(25,879,888)	5,965,270
<i>Adjustments to reconcile net income to net cash used in operating activities</i>			
Allowance for expected credit loss		20,087,620	2,401,237
Investment properties depreciation	6	16,467,408	16,894,437
Finance cost	9	44,868,625	23,391,948
Reversal of impairment in investment properties	6	(6,560,247)	-
Changes in operating assets and liabilities:			
Accounts receivable		(16,722,627)	(8,674,862)
Inventory		(66,623)	39,166
Prepayments and other receivables		17,635,865	(7,047,795)
Properties under development		(17,587,538)	(9,947,567)
Accounts payable		(302,511)	(8,025,225)
Accrued expenses & other liabilities		2,547,650	(2,348,250)
Accrued management fees		11,792,033	14,551,128
Employees' end of service benefits		499,713	647,848
Unearned rental income		(6,326,772)	(13,741,661)
Net Cash generated from operating activities		40,452,708	14,105,674
CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance cost paid		(63,051,747)	(21,958,327)
Dividends paid during the period	12	(27,471,075)	(25,754,564)
Net cash used in financing activities		(90,522,822)	(47,712,891)
Net change in cash and cash equivalents		(50,070,114)	(33,607,217)
Cash and cash equivalents at the beginning of the period		112,212,026	82,937,149
Cash and cash equivalents at the end of the period		62,141,912	49,329,932

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

RIYAD REIT FUND
(MANAGED BY RIYAD CAPITAL)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025 (Un-Audited)
(Amounts in Saudi Riyals)

1. THE FUND AND ITS ACTIVITIES

Riyad REIT (the “REIT” or the “Fund”) is a closed-ended Shari’ah-compliant real estate investment traded fund. The REIT operates in accordance with Real Estate Investment Funds Regulations and REIT Regulations issued by the Capital Market Authority (CMA). The REIT is listed on the Tadawul and units of the REIT traded on the Tadawul in accordance with its rules and regulations. The REIT is managed by Riyadh Capital (the “Fund Manager”), a Saudi Arabian One Person Closed Joint Stock Company with Saudi Arabian commercial registration no. 1010239234, and an Authorized Person licensed by the CMA under license no. 07070-37. Also, a 100% owned subsidiary of Riyadh Bank. The subscribed units of the REIT equal to 171,697,101 unit. The REIT has a term of 99 years, which is extendable on the discretion of the Fund Manager with the prior approval of the CMA.

These interim condensed consolidated financial statements include the accounts of the REIT and its subsidiaries (together the “REIT” or the “Fund”).

The primary investment objective of the REIT is to provide its investors with income by investing in developed income-producing real estate assets in Saudi Arabia. While the REIT will primarily invest in such assets, the REIT may opportunistically invest in real estate development projects; provided that (i) at least 75% of the REIT’s total assets are invested in developed real estate assets which generate periodic income and (ii) the REIT may not invest in vacant land.

The REIT may on, a secondary basis, invest in development opportunities with profitable growth potentials that cater for specific real-estate needs, previously unavailable in certain areas. An added value is expected, in the medium term, to be created to Unitholders in such development projects. In the long term, the REIT’s investment portfolio will continue to focus on attractive investment opportunities in different real-estate sectors, including, but not limited to, offices, trade exhibitions, houses, hospitality facilities, warehouses, etc. in order to build a real-estate base with diverse and stable income for Unitholders as well as achieve reasonable increase in the portfolio value.

These interim condensed consolidated financial statements include the information of the REIT and its following subsidiaries (Collectively Group) as of 30 June 2025 and 2024.

Name of subsidiary	Principal Activity	Country	Proportion of Ownership Interest and Voting Power Held
Durrat Aldahia Company – Burj Rafal Hotel	Hotel	Saudi Arabia	100%
Durrat Hittin company – Braira Hattin Hotel	Hotel	Saudi Arabia	100%
Rafal Hotel Company	Hotel	Saudi Arabia	100%
Takhtit Al Marafiq	Operating and maintenance	Saudi Arabia	100%
Shati Alkhobar	Hotel	Saudi Arabia	100%

2. REGULATING AUTHORITY

The Fund operates in accordance with real estate investment funds regulations (REIFR) issued by the CMA. The regulations detail requirements for real estate funds and traded real estate funds within the Kingdom of Saudi Arabia.

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3. BASIS OF PREPARATION

3.1 *Statement of compliance*

These interim condensed consolidated financial statements have been prepared on a going concern basis and in accordance with International Accounting Standard 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Fund's last annual financial statements for the year ended 31 December 2024.

These interim condensed consolidated financial statements do not include all of the information normally required for a complete set of financial statements; however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since 31 December 2024.

The results for the six-month period ended 30 June 2025 are not necessarily indicative of the financial statements as at 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

3.2 *Basis of measurement*

These interim condensed consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment at fair value through profit or loss.

3.3 *Use of judgements, estimates and assumptions*

In preparing these interim condensed consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments 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 last annual financial statements.

3.4 *Functional and presentation currency*

These interim condensed consolidated financial statements are presented in Saudi Riyals ("SR"), which is the Fund's functional currency. All financial information presented has been rounded to the nearest SR, unless otherwise indicated.

RIYAD REIT FUND
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4. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2025 and has been explained in annual financial statements, but they do not have a material effect on the Fund's interim condensed consolidated financial statements.

4.1 New standards, amendments and interpretations issued and effective from 1 January 2025

The accounting policies adopted, and method of computation followed are consistent with those of previous financial year except for the items disclosed below:

<u>Description</u>	<u>Effective Date</u>
<i>Amendment to IAS 27 - Lack of Exchangeability</i>	1 January 2025

These amendments had no material impact on the interim condensed consolidated financial statements of the fund.

4.2 New standards, amendments and interpretations effective 1 January 2025 and have not early adopted

The following standards, amendments to standards and interpretations are not yet effective and neither expected to have a significant impact on the fund's interim condensed consolidated financial statements:

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the fund's financial statements are disclosed below. The fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

<u>Description</u>	<u>Effective Date</u>
<i>Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual improvements to IFRS – Volume 11</i>	1 January 2026
<i>Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
<i>IFRS 18 Presentation and Disclosures in Financial Statements</i>	1 January 2027
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
<i>Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures</i>	Effective date not yet decided

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5. MANAGEMENT FEE, OTHER EXPENSES AND TRANSACTION FEE

- **MANAGEMENT FEE, OTHER EXPENSES**

On semiannual basis the fund manager charges the fund, management fee at the rate of 1.2 % per annum of the fund's net assets value. The Fund Manager also recovers from the fund any other expenses incurred on behalf of the fund such as audit and legal fees, board compensation and other similar charges.

- **TRANSACTION FEE**

Further, the fund manager charges the fund, one-time acquisition fee at the rate of 1 % on the acquisition or sale price of the real estate assets.

6. INVESTMENT PROPERTIES, NET

As at 30 June 2025 (Unaudited)	Land	Building	Equipment	Total
<u>Cost</u>				
At the beginning of the period	770,159,726	1,091,033,728	172,913,391	2,034,106,845
At the end of the period	770,159,726	1,091,033,728	172,913,391	2,034,106,845
<u>Accumulated depreciation:</u>				
At the beginning of the period	-	(134,650,975)	(59,549,670)	(194,200,645)
Charge for the period	-	(10,734,137)	(5,733,271)	(16,467,408)
At the end of the period	-	(145,385,112)	(65,282,941)	(210,668,053)
<u>Accumulated impairment:</u>				
At the beginning of the period	(31,253,254)	(18,986,481)	-	(50,239,735)
Reversal during the period	3,648,429	2,911,818	-	6,560,247
At the end of the period	(27,604,825)	(16,074,663)	-	(43,679,488)
Book value as of 30 June 2025	742,554,901	929,573,953	107,630,450	1,779,759,304
As at 31 December 2024 (Audited)	Land	Building	Equipment	Total
<u>Cost</u>				
At the beginning of the year	829,801,226	1,126,880,808	174,970,141	2,131,652,175
Disposals during the year	(59,641,500)	(35,847,080)	(2,056,750)	(97,545,330)
At the end of the year	770,159,726	1,091,033,728	172,913,391	2,034,106,845
<u>Accumulated depreciation</u>				
At the beginning of the year	-	(120,084,419)	(49,288,487)	(169,372,906)
Charge for the year	-	(22,029,879)	(11,573,949)	(33,603,828)
Disposals during the year	-	7,463,323	1,312,766	8,776,089
At the end of the year	-	(134,650,975)	(59,549,670)	(194,200,645)
<u>Accumulated impairment:</u>				
At the beginning of the year	-	-	-	-
Charge for the year	(31,253,254)	(18,986,481)	-	(50,239,735)
At the end of the year	(31,253,254)	(18,986,481)	-	(50,239,735)
Book value as of 31 December 2024	738,906,472	937,396,272	113,363,721	1,789,666,465

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(Amounts in Saudi Riyals)

6. INVESTMENT PROPERTIES, NET (CONTINUED)

This represents 11 properties namely:

1. Izdhar Center: represents a commercial property located on Othman Bin Afan Road in the Izdihar District (within close proximity to Arabian Centre's Al Nakheel Mall). The property is located in Riyadh.
 2. Al-Tamayuz Center: represents a commercial property located on the intersection of Imam Road and Khalid Bin Waleed Street in the Qurtoba neighborhood. The property is located in Riyadh.
 3. Tahlia hotel: represents a commercial property located on Tahlia street close to Bin Hamran, one of Jeddah's most prominent business and shopping centers. The property is located in Jeddah.
 4. Residence: represents commercial building and hospitality villas consisting of halls and office suites located within Hittin District. The property is located in Riyadh.
 5. Vivienda: represents a newly built hotel villas located on Musa Ibn Nussair Street in Mather Ash Shamali district, between Takhasusi road Prince Turki Ibn Abdulaziz Al Awwal road. The property is located in Riyadh.
 6. Saudi Electronic University: represents a university located in Alrabi district. The property is located in Riyadh
 7. Umniah Center: represents a commercial property located on Saud Al-Faisal Road. The property is located in Jeddah.
 8. Burj Rafal: Mixed-use property located in King Fahad Road. The property is located in Riyadh
 9. Olaya Tower: Commercial property located in Olaya street. The property is located in Riyadh
 10. Ascott Cornich Al-Khobar: represents a hotel located in Prince Turki Road. The property is located in Al Khobar
 11. Al Raeed: It is newly developed and on triple net lease for three years to the Saudi Tourism Authority, Located in Al Raed district on King Abdullah Road in Riyadh.
- 6-1** Tahlia hotel: There was no revenue from the property during the period ended 30 June 2025 (30 June 2024) due to an ongoing legal dispute with the sole tenant of the property. However, a new lease agreement was signed in 2025, which will take effect in February 2026.
- 6-2** The fund charge depreciation on building and equipment over 50 years and 15 years respectively. The depreciation is charged on depreciable amount i.e. cost less residual value.
- 6-3** All properties are held in the name of Riyadh Real Estate income Company (the "SPV") or by companies owned by the SPV. The SPV are holding these properties for the beneficial ownership of the Fund and does not possess any controlling interest or any stake in the properties.
- 6-4** The fund manager reviews its investment property on a regular basis for any impairment. An impairment loss is recognized for the amount in which the carrying amount of the investment properties exceeds its recoverable amount, which is the higher of the assets' fair value less costs to sell and value in use. As of June 30, 2025, according to the periodic valuation reports submitted by independent valuers of the fund, there was increase in the value of investment property, on four properties, with reversal in impairment amounting SAR 6,560,247.
- 6-5** On 10 October 2024, the fund completed the sale of the Al-Shatea tower located in Dammam. This transaction was executed in accordance with the Sale and Purchase Agreement ("SPA"). The property's carrying value at disposal was SR 88,769,241.

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For the six-month period ended 30 June 2025 (Un-Audited)
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7. ISLAMIC BORROWINGS

The Fund obtained a Tawaruq (Short term) and Islamic Murabaha (Long term) facility (Shari'ah compliant), from Riyadh Bank through Riyadh Capital and Riyadh Real Estate Income Company respectively. The Tawaruq, facility carries a floating special commission rate of SAIBOR+ 1% and matured 2024. The Islamic Murabaha facility carries a floating special commission rate of SAIBOR + 1% with a maturity due during 2031.

The Tawaruq and Islamic Murabaha is secured by pledge of the following properties: Omniah Center, Ascott, Tahlia, Burj Rafal, Saudi Electronic University, Izdhar Center, and Olaya Tower, Ascott Cornich Al-Khobar, Residence, Vivienda, Forsan Plaza, Al Raed.

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Current portion	309,615,553	309,615,553
Non-Current portion	1,065,867,525	1,065,867,525

8. EFFECT OF NET ASSET VALUE IF INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT ARE FAIR VALUED

The Fund Manager evaluates the investment properties and properties under development based on an average of two evaluations prepared by independent evaluators. As set out in the terms and conditions of the Fund, net asset value declared are based on the market value obtained. However, in accordance with international accounting standards, properties under development are carried at cost less impairment if any and investment properties are carried at cost less accumulated depreciation and impairment if any in these financial statements. Accordingly, the fair value below is disclosed for information purposes and has not been accounted for in the Fund's books.

The fair value of the investment and development properties are determined by two selected independent valuers accredited by the Saudi Authority for Accredited Valuers (Taqeem), i.e. **Valie for Real Estate Evaluation** and **Abaad Real Estate Valuation Company**. As of 30 June, the valuation of the investment and development properties are as follows:

30 June 2025 (Unaudited)	First valuation	Second valuation	Average
Investment properties and properties under development	2,462,850,000	2,463,088,000	2,462,969,000
Total	2,462,850,000	2,463,088,000	2,462,969,000
31 December 2024 (Audited)	First valuation	Second valuation	Average
Investment properties and properties under development	2,437,690,000	2,315,479,765	2,376,584,882
Total	2,437,690,000	2,315,479,765	2,376,584,882

Management has used the average of the two valuations for the purposes of disclosing the fair value of the investment and development properties.

RIYAD REIT FUND
(MANAGED BY RIYAD CAPITAL)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025 (Un-Audited)
(Amounts in Saudi Riyals)

8. EFFECT OF NET ASSET VALUE IF INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT ARE FAIR VALUED (CONTINUED)

The investment and development properties were valued taking into consideration number of factors, including the area and type of property and valuation techniques using significant unobservable inputs, including the financial & fragmentation plot analysis, the cost method, the direct comparison method, and residual value method. Below is an analysis of the development and investment properties fair value versus cost:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Estimated fair value of investment and development properties based on the average of the two valuations used	2,462,969,000	2,376,584,882
Less: the carrying value of		
- Investment properties (note 6)	(1,779,759,304)	(1,789,666,465)
- properties under development	(86,632,976)	(69,045,438)
Estimated fair value in excess of book value	596,576,720	517,872,979
Units in issue (numbers)	171,697,101	171,697,101
Additional value per unit based on fair value	3.47	3.02

Net asset attributable to unit holders:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Net assets attributable to unit holders as per the interim condensed consolidated financial statements before fair value adjustment	1,175,001,791	1,228,352,754
Estimated fair value in excess of book value	596,576,720	517,872,979
Net assets attributable to unit holders based on fair valuation of investment and properties under development	1,771,578,511	1,746,225,733

Net asset attributable to each unit:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Book value of net assets attributable to each unit as per the interim condensed consolidated financial statements before fair value adjustment	6.84	7.15
Additional value per unit based on fair value	3.47	3.02
Net assets attributable to each unit at fair value	10.31	10.17

All properties are held in the name of Riyadh Real Estate Income Company (the "Trustee") or companies owned by the trustee. The Trustee is holding these properties for the beneficial ownership of the Fund and does not possess any controlling interest or any stake in the properties.

RIYAD REIT FUND
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9. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Fund include Riyadh Capital (being the Fund Manager), Riyadh Bank (being the shareholder of Riyadh Capital), KASB Capital (being the Custodian of the Fund) and the Hotels operator.

In the ordinary course of its activities, the Fund transacts business with related parties. The related parties' transactions are governed by limits set by the regulations issued by the CMA. All related party transactions are approved by the Fund Board.

The significant related party transactions entered into by the Fund during the year and the balances resulting from such transactions are as follows:

Related Party	Nature of transactions	Amount of transactions		Closing balance	
		30-Jun-25	30-Jun-24	30-Jun-25	31-Dec-24
<u>Due from Related Parties</u>					
Riyad Bank	Current account	-	-	2,569,638	24,500,742
	Investment account	-	-	35,710,450	60,061,372
Riyad Capital	Investments carried at FVTPL	-	-	60,540,259	60,540,259
<u>Due to Related Parties</u>					
Riyad Capital	Fund management fees	(11,792,033)	(14,551,128)	(86,864,874)	(75,072,841)
	Islamic borrowings	-	-	(1,375,483,078)	(1,393,666,200)
Riyad Bank	Finance cost	(44,868,625)	(44,243,880)	(2,797,114)	(20,980,236)
	Banks commissions	(1,787)	(899,151)	-	-
KASB Capital	Custodian fees	(50,000)	(50,000)	-	-

* Cash margin against letter of credit is included in the interim condensed consolidated statement of financial position under prepayment and other receivables.

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10. FAIR VALUE MEASUREMENT

Financial assets comprise of accounts receivable and other assets. Financial liabilities comprise of unearned rental income and accrued management fees. The fair value of financial assets and financial liabilities is not significantly different from their carrying value.

The following table shows the fair value of disclosed financial instruments and investment properties as at the period ended:

30 June 2025	Level 1 SAR	Level 2 SAR	Level 3 SAR	Total SAR
Investments carried at FVTPL	-	-	703,416,644	703,416,644
Investment property (note 8)	-	-	2,462,969,000	2,462,969,000
Total	-	-	3,166,385,644	3,166,385,644
31 December 2024	Level 1 SAR	Level 2 SAR	Level 3 SAR	Total SAR
Investments carried at FVTPL	-	-	703,416,644	703,416,644
Investment property (note 8)	-	-	2,376,584,882	2,376,584,882
Total	-	-	3,080,001,526	3,080,001,526

The fair value of financial instruments that are not quoted 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 classified within Level 2. If one or more significant inputs are not based on observable market data, then the instrument classified within Level 3. Changes in assumptions of These inputs can affect the reported fair value of items in these financial statements and the level within which items are disclosed in the fair value hierarchy.

Financial assets at fair value through profit or loss classified within level 3 include investments in closed-end real estate funds which fair values are determined based on the last recorded net asset value as at the reporting date, as well as unquoted equity instruments which are recognized at cost price, in accordance with IFRS 9 requirements.

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

RIYAD REIT FUND**(MANAGED BY RIYAD CAPITAL)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****For the six-month period ended 30 June 2025 (Un-Audited)***(Amounts in Saudi Riyals)***11. OPERATING SEGMENTS**

The Fund's primary business is conducted in Saudi Arabia. Transactions between the operating segments are on normal commercial terms and conditions. The Fund's total assets and liabilities as at 30 June 2025 and 2024, its total operating income and expenses, and the results for the period then ended, by operating segment, are as follows:

	For the period ended 30 June 2025 (Unaudited)			
	Rent	Hotels managed by third party	Unallocated	Total
Comprehensive income				
Rental income	29,104,079	-	-	29,104,079
Rooms revenue	-	66,339,101	-	66,339,101
Food and beverages revenue	-	23,004,077	-	23,004,077
Other operating departments	-	2,752,060	-	2,752,060
Rooms cost	-	(15,257,951)	-	(15,257,951)
Food and beverages cost	-	(13,898,487)	-	(13,898,487)
Other operating departments cost	-	(1,545,354)	-	(1,545,354)
Reversal of impairment in investment properties	6,560,247	-	-	6,560,247
Investment properties depreciation	(16,467,408)	-	-	(16,467,408)
Gross profit	19,196,918	61,393,446	-	80,590,364
Property management expenses	(1,224,800)	(3,825,427)	-	(5,050,227)
Management fees	(11,792,033)	-	-	(11,792,033)
Custody fees	(50,000)	-	-	(50,000)
Allowance for expected credit losses	(20,087,620)	-	-	(20,087,620)
General and administrative expenses	(1,864,190)	(29,341,928)	-	(31,206,118)
Net operating income	(15,821,725)	28,226,091	-	12,404,366
Dividend income from investments FVTPL	-	-	3,527,019	3,527,019
Finance cost	-	-	(44,868,625)	(44,868,625)
Other income	-	-	3,057,352	3,057,352
Net loss for the period	(15,821,725)	28,226,091	(38,284,254)	(25,879,888)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	(15,821,725)	28,226,091	(38,284,254)	(25,879,888)

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11. OPERATING SEGMENTS (CONTINUED)

	For the period ended 30 June 2024 (Unaudited)			
	Rent	Hotels managed by third party	Unallocated	Total
Comprehensive income				
Rental income	33,360,095	-	-	33,360,095
Rooms revenue	-	67,920,468	-	67,920,468
Food and beverages revenue	-	28,445,157	-	28,445,157
Other operating departments	-	2,792,449	-	2,792,449
Rooms cost	-	(12,769,589)	-	(12,769,589)
Food and beverages cost	-	(17,743,605)	-	(17,743,605)
Other operating departments cost	-	(1,415,998)	-	(1,415,998)
Investment properties depreciation	(16,894,437)	-	-	(16,894,437)
Gross profit	16,465,658	67,228,882	-	83,694,540
Property management expenses	(1,068,361)	(4,420,892)	-	(5,489,253)
Management fees	(14,551,128)	-	-	(14,551,128)
Custody fees	(50,000)	-	-	(50,000)
Allowance for expected credit losses	(2,401,237)	-	-	(2,401,237)
General and administrative expenses	(2,573,128)	(29,875,970)	-	(32,449,098)
Net operating income	(4,178,196)	32,932,020	-	28,753,824
Dividend income from investments FVTPL	-	-	20,557,439	20,557,439
Finance cost	-	-	(44,243,880)	(44,243,880)
Other income	-	-	897,887	897,887
Net income for the period	(4,178,196)	32,932,020	(22,788,554)	5,965,270
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(4,178,196)	32,932,020	(22,788,554)	5,965,270

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11. OPERATING SEGMENTS (CONTINUED)

Financial position	As at 30 June 2025 (Unaudited)			
	Rent	Hotels managed by third party	Unallocated	Total
ASSETS				
Cash and cash equivalents	40,620,120	21,521,792	-	62,141,912
Accounts receivable, net	38,347,070	11,102,677	-	49,449,747
Inventory	-	549,147	-	549,147
Prepayments and other receivables	23,199,895	4,403,760	-	27,603,655
Properties under development	86,632,976	-	-	86,632,976
Investments carried at fair value through profit or loss (FVTPL)	-	-	703,416,644	703,416,644
Investment properties	1,779,759,304	-	-	1,779,759,304
TOTAL ASSETS	1,968,559,365	37,577,376	703,416,644	2,709,553,385
LIABILITIES				
Islamic borrowings	1,375,483,078	-	-	1,375,483,078
Accounts payable	9,672,298	3,908,820	-	13,581,118
Unearned rental income	22,478,951	-	-	22,478,951
Accrued expenses & other liabilities	2,475,017	29,121,678	-	31,596,695
Accrued management fees	86,864,874	-	-	86,864,874
Employees' end of service benefits	-	4,546,878	-	4,546,878
TOTAL LIABILITIES	1,496,974,218	37,577,376	-	1,534,551,594

Financial position	As at 31 December 2024 (Audited)			
	Rent	Hotels managed by third party	Unallocated	Total
ASSETS				
Cash and cash equivalents	86,811,841	25,400,185	-	112,212,026
Accounts receivable, net	50,059,520	2,755,220	-	52,814,740
Inventory	-	482,524	-	482,524
Prepayments and other receivables	38,163,482	7,076,038	-	45,239,520
Properties under development	69,045,438	-	-	69,045,438
Investments carried at fair value through profit or loss (FVTPL)	-	-	703,416,644	703,416,644
Investment properties	1,789,666,465	-	-	1,789,666,465
TOTAL ASSETS	2,033,746,746	35,713,967	703,416,644	2,772,877,357
LIABILITIES				
Islamic borrowings	1,393,666,200	-	-	1,393,666,200
Accounts payable	8,827,833	5,055,796	-	13,883,629
Unearned rental income	28,805,723	-	-	28,805,723
Accrued expenses & other liabilities	2,438,042	26,611,003	-	29,049,045
Accrued management fees	75,072,841	-	-	75,072,841
Employees' end of service benefits	-	4,047,165	-	4,047,165
TOTAL LIABILITIES	1,508,810,639	35,713,964	-	1,544,524,603

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12. DIVIDEND DISTRIBUTION

On 25 March 2024, the Fund's Board of Directors approved the distribution of profits for the six-month period ended on December 31, 2023, amounting to SAR 0.15 per unit totaling SAR 25,754,564 to the unit holders.

On 25 March 2025, the Fund's Board of Directors approved the distribution of profits for the six-month period ended on December 31, 2024, amounting to SAR 0.16 per unit totaling SAR 27,471,075 to the unit holders.

13. RECLASSIFICATION OF PRIOR PERIOD FIGURES

Certain comparative information has been reclassified to conform to the current period presentation.

14. CHANGES IN FUNDS TERMS AND CONDITIONS

There has been no significant change in the terms and conditions of the Fund as at period ended 30 June 2025.

15. EVENTS AFTER THE REPORTING DATE

The fund manager, announces the signing of a sale agreement for a property in one of the fund's international investments "Riyad International Real Estate III" (the "Property"), the transaction is expected to be finalized in Q4 of 2025, subject to the completion of the due diligence and the fulfillment of the conditions specified in the signed agreement.

16. LAST VALUATION DAY

The last valuation day of the period was at 30 June 2025.

17. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the Fund's Board on 10 August 2025 (Corresponding to 16 Safar 1447H).