

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

**UNAUDITED INTERIM CONDENSED FINANCIAL INFORMATION
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

For the six months period ended 30 June 2025

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Independent Auditor's Review Report on the Interim Condensed Financial information
To the Unitholders of SEDCO Capital REIT Fund

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SEDCO Capital REIT Fund (the "Fund") managed by SEDCO Capital ("Fund Manager") as at 30 June 2025 and the related interim condensed statements of income and comprehensive income, changes in net assets attributable to the Unitholders and cash flows for the six months period then ended, and explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial information 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 interim condensed financial information 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" that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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 financial information are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services



Ahmed Ibrahim Reda
Certified Public Accountant
License No. (356)

Jeddah: 17 Safar 1447H
(11 August 2025G)



SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	<i>Notes</i>	30 June 2025 (Unaudited) ¥	31 December 2024 (Audited) ¥
ASSETS			
NON-CURRENT ASSET			
Investment properties	3	3,034,604,405	2,201,225,799
TOTAL NON-CURRENT ASSET		3,034,604,405	2,201,225,799
CURRENT ASSETS			
Rent receivables, net	4	179,558,103	92,197,542
Prepayments and other receivables		7,008,017	1,309,922
Cash and cash equivalents	5	120,862,140	183,299,076
TOTAL CURRENT ASSETS		307,428,260	276,806,540
TOTAL ASSETS		3,342,032,665	2,478,032,339
LIABILITIES			
NON-CURRENT LIABILITY			
Financing facility from a bank	6	1,662,157,961	953,489,955
TOTAL NON-CURRENT LIABILITY		1,662,157,961	953,489,955
CURRENT LIABILITIES			
Dividend payable	7	14,643	23,382,275
Payable for acquisition of a new property	3.8	110,000,000	-
Due to a related party	8	40,515,025	17,086,164
Accrued expenses and other payable	9	15,102,303	10,173,586
Deferred revenue	10	69,612,665	7,645,222
Financing facility from a bank	6	18,213,394	12,098,951
TOTAL CURRENT LIABILITIES		253,458,030	70,386,198
TOTAL LIABILITIES		1,915,615,991	1,023,876,153
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS		1,426,416,674	1,454,156,186
UNITS IN ISSUE	11	186,944,444	186,944,444
Net assets per unit (¥)		7.6302	7.7785

The attached notes from 1 to 16 form an integral part of these interim condensed financial information.

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

**INTERIM CONDENSED STATEMENT OF INCOME AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)**

For the six months period ended 30 June 2025

		<i>For the six months period ended 30 June 2025 RM</i>	<i>For the six months period ended 30 June 2024 RM</i>
	<i>Notes</i>		
INCOME			
Rental income		89,356,432	88,309,353
Murabaha income	5 (a)	5,228,971	997,809
TOTAL INCOME		94,585,403	89,307,162
EXPENSES			
Depreciation		17,398,742	17,087,403
Management, administrative and shariah fees	8	8,073,975	8,519,832
Operating and other expenses	12	8,903,739	9,115,082
Impairment charge on rent receivables	4	3,000,000	-
Impairment charge on investment properties		22,003,457	5,734,447
Financing fees and bank charges	6	39,576,946	31,061,969
TOTAL EXPENSES		98,956,859	71,518,733
NET (LOSS)/INCOME FOR THE PERIOD		(4,371,456)	17,788,429
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(4,371,456)	17,788,429

The attached notes from 1 to 16 form an integral part of these interim condensed financial information.

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

For the six months period ended 30 June 2025

	<i>For the six months period ended 30 June 2025 ¥</i>	<i>For the six months period ended 30 June 2024 ¥</i>
Net assets attributable to the unitholders at the beginning of period	1,454,156,186	1,533,218,570
Total comprehensive (loss)/income for the period	(4,371,456)	17,788,429
Dividend (note 7)	(23,368,056)	(23,368,056)
Net assets attributable to the unitholders at the end of period	<u>1,426,416,674</u>	<u>1,527,638,943</u>

The attached notes from 1 to 16 form an integral part of these interim condensed financial information.

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 30 June 2025

		<i>For the six months period ended 30 June 2025 ¥</i>	<i>For the six months period ended 30 June 2024 ¥</i>
	<i>Notes</i>		
OPERATING ACTIVITIES			
Net (loss)/income for the period		(4,371,456)	17,788,429
<i>Adjustments to reconcile net (loss) / income to net cash from operating activities:</i>			
Depreciation		17,398,742	17,087,403
Impairment charge on rent receivables	4	3,000,000	-
Impairment charge on investment properties		22,003,457	5,734,447
Financing fees and bank charges		39,576,946	31,061,969
		<u>77,607,689</u>	<u>71,672,248</u>
Net changes in operating assets and liabilities:			
Rent receivables		(90,360,561)	(12,562,027)
Prepayments and other receivables		(6,672,981)	1,327,714
Due to a related party		23,428,861	(6,851,264)
Accrued expenses and other payable		4,928,717	(471,548)
Deferred revenue		61,967,443	(258,523)
		<u>70,899,168</u>	<u>52,856,600</u>
Net cash from operating activities			
INVESTING ACTIVITIES			
Payments made for acquisition of investment properties		(761,805,919)	-
Addition to work in progress		-	(514,740)
		<u>(761,805,919)</u>	<u>(514,740)</u>
Net cash used in investing activities			
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	6	706,800,000	-
Repayment of loan principal and interest		(31,594,497)	(29,142,992)
Dividend paid during the period	7	(46,735,688)	(27,215,743)
		<u>628,469,815</u>	<u>(56,358,735)</u>
Net cash from / (used in) financing activities			
Net change in cash and cash equivalents			
		<u>(62,436,936)</u>	<u>(4,016,875)</u>
Cash and cash equivalents at beginning of the period		183,299,076	58,693,713
		<u>120,862,140</u>	<u>54,676,838</u>
Cash and cash equivalents at end of the period			

The attached notes from 1 to 16 form an integral part of these interim condensed financial information.

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

(UNAUDITED)

At 30 June 2025

1 THE FUND AND ITS ACTIVITIES

SEDCO Capital REIT Fund (the "Fund") is a close-ended Shariah compliant real estate investment traded fund. The Fund is established and managed by Saudi Economic and Development Securities Company ("SEDCO Capital" or the "Fund Manager"), a subsidiary of Saudi Economic and Development Holding Company (the "Company"), for the benefit of the Fund's Unitholders. The Fund is ultimately supervised by the Fund Board.

SEDCO Capital, a Saudi closed joint stock company licensed by the Capital Market Authority ("CMA") under License No. 11157-37 dated 23/04/1430 H corresponding to 19/4/2009, manages the Fund. The Fund Manager conducts following securities activities:

- a) Dealing;
- b) Arranging;
- c) Managing and operating funds;
- d) Advising; and
- e) Custody

The Fund's objective is to provide periodic rental income to its Unitholders by investing mainly in developed properties generating income, in addition to potential capital growth of total value of Fund's assets when assets are sold later, or target assets are developed or expanded.

The Fund invests mainly in developed income generating real estate assets. The Fund may invest part of its assets and cash surplus in Murabaha transactions and short-term deposits in Saudi Riyals with banks that are licensed by the Saudi Central Bank ("SAMA") and operate in Saudi Arabia. The Fund may invest up to 25% of the Fund's total assets in public money market funds and Murabaha deposits.

The terms and conditions of the Fund were approved by the Capital Market Authority (the "CMA") on 16 Rabi Awal 1439 H (corresponding to 4 December 2017). The offering period for the subscription of the units was from 24 January 2018 to 20 February 2018. Unitholders subscribed for the units of the Fund during the offering period and cash was held in a collection account of SNB Capital. The Fund commenced its activities on 1 April 2018 (the "inception date").

The Fund's term will be ninety nine (99) years following the date of listing units on Tadawul. The term of the Fund may be extended at the Fund Manager's discretion subject to CMA approval.

The Fund is governed by the Real Estate Investment Funds Regulations (the "Regulations"), issued by the Board of the Capital Market Authority (CMA) pursuant to Resolution No. 1-193-2006 dated 19 Jumada Al-Thani 1427H (corresponding to 15 July 2006G), based on the Capital Market Law issued by Royal Decree No. M/30 dated 2 Jumada Al-Thani 1424H, and as amended by Resolution of the Board of the CMA No. 1-54-2025 dated 23 Dhul-Qi'dah 1446H (corresponding to 21 May 2025G), detailing requirements for real estate investment funds within the Kingdom of Saudi Arabia.

A special purpose entity was established, Saudi Economic and Development Company for Real Estate Funds (A Limited Liability Company) for legally owning and holding real estate properties on behalf of the Fund and for the benefit of the Unitholders.

2 BASIS OF PREPERATION

a) Statement of compliance

These interim condensed financial information as at and for the six months period ended 30 June 2025 are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. The interim condensed financial information 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 as at and for the year ended 31 December 2024.

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

2 BASIS OF PREPERATION (continued)

b) Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention using the accrual basis of accounting.

c) Functional and presentation currency

Items included in these interim condensed financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These financial statements are presented in Saudi Arabian Riyal (“ﷲ”) which is the Fund’s functional and presentation currency.

d) Significant judgements, estimates and assumptions

The accounting judgements, estimates and assumptions used in the preparation of these interim condensed financial information are consistent with those used in the preparation of the Fund’s annual financial statements for the year ended 31 December 2024.

e) Material accounting policy information

The material accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Fund’s annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025 as disclosed in note 2 (f) below.

f) New standards, interpretations and amendments adopted by the Fund

The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have an impact on the interim financial information of the Fund.

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique	1 January 2025

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

2 BASIS OF PREPERATION (continued)

f) *Standards issued but not yet effective*

The International Accounting Standards Board (IASB) has issued the following standards and amendments which will become effective on or after 1 January 2026. the Fund has opted not to early adopt these pronouncements and they do not have a significant impact on the interim condensed financial information of the Fund.

Standard, interpretation, amendments	Description	Effective date
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

3 INVESTMENT PROPERTIES

3.1 The details of the investment properties as at 30 June 2025 are as follows:

	Type	Location	Cost			Depreciation			Opening SAR	Impairment (Charge)/ reversal for the year SAR	Closing impairment SAR	Net Book value SAR	Fair Value SAR
			Opening SAR	Additions during the year SAR	Closing SAR	Opening SAR	Charge for the year SAR	Closing SAR					
Al Khaldiyah Business Centre	Commercial	Jeddah	166,744,640	-	166,744,640	(13,863,067)	(993,173)	(14,856,240)	(21,503,073)	5,514,673	(15,988,400)	135,900,000	135,900,000
Al Jazeera Residential Compound	Residential	Riyadh	67,702,885	-	67,702,885	(3,641,129)	(265,543)	(3,906,672)	-	-	-	63,796,213	87,500,000
Hyper Panda	Commercial	Jeddah	39,300,000	-	39,300,000	(1,884,206)	(139,500)	(2,023,706)	-	-	-	37,276,294	40,800,000
Hyper Panda	Commercial	Riyadh	78,765,000	-	78,765,000	(3,801,840)	(281,475)	(4,083,315)	-	-	-	74,681,685	83,100,000
Public Prosecution Building	Commercial	Jeddah	64,401,692	-	64,401,692	(8,525,745)	(666,025)	(9,191,770)	-	-	-	55,209,922	63,950,000
Al Rawdah Business Centre	Commercial	Jeddah	126,506,450	-	126,506,450	(17,944,464)	(1,343,165)	(19,287,629)	(7,440,986)	3,722,165	(3,718,821)	103,500,000	103,500,000
Al Hayat Tower Apartments Hotel	Commercial	Riyadh	41,260,000	-	41,260,000	(3,688,735)	(145,053)	(3,833,788)	(16,589,765)	463,553	(16,126,212)	21,300,000	21,300,000
Banque Saudi Fransi Building	Commercial	Dammam	28,519,294	-	28,519,294	(2,883,498)	(223,931)	(3,107,429)	-	-	-	25,411,865	32,400,000
Hyper Panda	Commercial	Dammam	62,545,580	-	62,545,580	(4,782,225)	(373,931)	(5,156,156)	-	-	-	57,389,424	74,000,000
Al Hokair Time Centre	Commercial	Dammam	34,206,942	-	34,206,942	(2,863,867)	(223,931)	(3,087,798)	-	-	-	31,119,144	33,900,000
Ajdan Walk	Commercial	Al Khobar	356,274,715	-	356,274,715	(38,097,518)	(3,156,989)	(41,254,507)	(1,445,697)	(7,074,511)	(8,520,208)	306,500,000	306,500,000
Hyper Panda (Branch & Parking)	Commercial	Dammam	70,274,929	-	70,274,929	(3,547,421)	(618,456)	(4,165,877)	-	-	-	66,109,052	70,750,000
Al Olaya School	Commercial	Riyadh	63,776,863	-	63,776,863	(3,140,760)	(545,203)	(3,685,963)	-	-	-	60,090,900	72,500,000
Extra Store	Commercial	Dammam	52,984,181	-	52,984,181	(1,674,941)	(307,263)	(1,982,204)	-	-	-	51,001,977	57,000,000
Iraqah Plaza	Commercial	Riyadh	96,018,786	-	96,018,786	(2,390,597)	(403,014)	(2,793,611)	(9,151,189)	1,926,014	(7,225,175)	86,000,000	86,000,000
Al Hamra Plaza	Commercial	Riyadh	71,346,032	-	71,346,032	(1,736,442)	(323,190)	(2,059,632)	-	-	-	69,286,400	73,500,000
Dar Al Baraa School	Commercial	Riyadh	165,807,140	-	165,807,140	(11,133,665)	(1,910,825)	(13,044,490)	-	-	-	152,762,650	172,750,000
Al Manahij School	Commercial	Riyadh	58,457,273	-	58,457,273	(2,291,004)	(426,735)	(2,717,739)	(203,769)	203,769	-	55,739,534	57,600,000
Amjad Qortuba School	Commercial	Riyadh	122,271,188	-	122,271,188	(5,050,688)	(941,155)	(5,991,843)	(1,351,500)	1,351,500	-	116,279,345	116,400,000
Ajdan Entertainment	Commercial	Al Khobar	178,400,907	-	178,400,907	(9,947,444)	(593,681)	(10,541,125)	(21,273,463)	4,713,681	(16,559,782)	151,300,000	151,300,000
Atelier La Vie (note 3.6)	Commercial	Jeddah	531,803,051	-	531,803,051	(7,783,989)	(2,029,409)	(9,813,398)	(46,509,062)	17,019,409	(29,489,653)	492,500,000	492,500,000
Dunecrest American School (note 3.7)	Commercial	Dubai, UAE	-	169,155,805	169,155,805	-	(408,320)	(408,320)	-	(3,297,485)	(3,297,485)	165,450,000	165,450,000
Palm View (note 3.8)	Commercial	Riyadh	-	703,625,000	703,625,000	-	(1,078,775)	(1,078,775)	-	(46,546,225)	(46,546,225)	656,000,000	656,000,000
			2,477,367,548	872,780,805	3,350,148,353	(150,673,245)	(17,398,742)	(168,071,987)	(125,468,504)	(22,003,457)	(147,471,961)	3,034,604,405	3,154,600,000

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

3 INVESTMENT PROPERTIES (continued)

3.2 The details of the investment properties as at 31 December 2024 are as follows:

	Type	Location	Cost				Depreciation			Impairment			Net Book value ﷲ	Fair Value ﷲ
			Opening ﷲ	Additions during the year ﷲ	Transfers ﷲ	Closing ﷲ	Opening ﷲ	Charge for the year ﷲ	Closing ﷲ	Opening ﷲ	(Charge)/ reversal for the year ﷲ	Closing impairment ﷲ		
Al Khaldiya Business Centre	Commercial	Jeddah	166,425,964	318,676	-	166,744,640	(11,793,105)	(2,069,962)	(13,863,067)	(18,576,859)	(2,926,214)	(21,503,073)	131,378,500	131,378,500
Al Jazeera Residential Compound	Residential	Riyadh	67,702,885	-	-	67,702,885	(3,110,042)	(531,087)	(3,641,129)	-	-	-	64,061,756	79,184,500
Hyper Panda	Commercial	Jeddah	39,300,000	-	-	39,300,000	(1,605,206)	(279,000)	(1,884,206)	-	-	-	37,415,794	39,330,500
Hyper Panda Public Prosecution Building	Commercial	Riyadh	78,765,000	-	-	78,765,000	(3,238,890)	(562,950)	(3,801,840)	-	-	-	74,963,160	81,828,500
Al Rawdah Business Centre	Commercial	Jeddah	64,091,202	310,490	-	64,401,692	(7,199,263)	(1,326,482)	(8,525,745)	-	-	-	55,875,947	60,329,000
Al Hayat Tower Apartments Hotel	Commercial	Jeddah	126,503,000	3,450	-	126,506,450	(15,404,950)	(2,539,514)	(17,944,464)	(12,334,549)	4,893,563	(7,440,986)	101,121,000	101,121,000
Banque Saudi Fransi Building	Commercial	Riyadh	41,260,000	-	-	41,260,000	(3,412,786)	(275,949)	(3,688,735)	(17,061,714)	471,949	(16,589,765)	20,981,500	20,981,500
Hyper Panda	Commercial	Dammam	28,519,294	-	-	28,519,294	(2,435,637)	(447,861)	(2,883,498)	-	-	-	25,635,796	27,406,500
Hyper Panda	Commercial	Dammam	62,545,580	-	-	62,545,580	(4,034,362)	(747,863)	(4,782,225)	-	-	-	57,763,355	72,433,000
Al Hokair Time Centre	Commercial	Dammam	34,206,942	-	-	34,206,942	(2,416,006)	(447,861)	(2,863,867)	-	-	-	31,343,075	34,024,000
Ajdan Walk	Commercial	Al Khobar	356,274,715	-	-	356,274,715	(31,740,167)	(6,357,351)	(38,097,518)	-	(1,445,697)	(1,445,697)	316,731,500	316,731,500
Hyper Panda (Branch & Parking)	Commercial	Dammam	70,274,929	-	-	70,274,929	(2,310,509)	(1,236,912)	(3,547,421)	-	-	-	66,727,508	70,611,000
Al Olaya School	Commercial	Riyadh	63,776,863	-	-	63,776,863	(2,050,354)	(1,090,406)	(3,140,760)	-	-	-	60,636,103	71,855,000
Extra Store	Commercial	Dammam	52,984,181	-	-	52,984,181	(1,068,331)	(606,610)	(1,674,941)	(263,850)	263,850	-	51,309,240	52,111,500
Iraqah Plaza	Commercial	Riyadh	93,955,614	-	2,063,172	96,018,786	(1,610,662)	(779,935)	(2,390,597)	(10,020,952)	869,763	(9,151,189)	84,477,000	84,477,000
Al Hamra Plaza	Commercial	Riyadh	71,346,032	-	-	71,346,032	(1,090,063)	(646,379)	(1,736,442)	-	-	-	69,609,590	72,103,500
Dar Al Baraa School	Commercial	Riyadh	165,807,140	-	-	165,807,140	(7,312,015)	(3,821,650)	(11,133,665)	-	-	-	154,673,475	169,684,500
Al Manahij School	Commercial	Riyadh	58,457,273	-	-	58,457,273	(1,473,651)	(817,353)	(2,291,004)	(1,407,623)	1,203,854	(203,769)	55,962,500	55,962,500
Amjad Qortuba School	Commercial	Riyadh	122,271,188	-	-	122,271,188	(3,331,760)	(1,718,928)	(5,050,688)	(6,797,427)	5,445,927	(1,351,500)	115,869,000	115,869,000
Ajdan Entertainment	Commercial	Al Khobar	178,400,907	-	-	178,400,907	(6,675,538)	(3,271,906)	(9,947,444)	(7,337,369)	(13,936,094)	(21,273,463)	147,180,000	147,180,000
Atelier La Vie	Commercial	Jeddah	531,284,375	518,676	-	531,803,051	(3,172,476)	(4,611,513)	(7,783,989)	(27,664,898)	(18,844,164)	(46,509,062)	477,510,000	477,510,000
Work in progress			1,548,432	514,740	(2,063,172)	-	-	-	-	-	-	-	-	-
			<u>2,475,701,516</u>	<u>1,666,032</u>	<u>-</u>	<u>2,477,367,548</u>	<u>(116,485,773)</u>	<u>(34,187,472)</u>	<u>(150,673,245)</u>	<u>(101,465,241)</u>	<u>(24,003,263)</u>	<u>(125,468,504)</u>	<u>2,201,225,799</u>	<u>2,282,112,500</u>

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

3 INVESTMENT PROPERTIES (continued)

- 3.3 At the reporting date, had the investment properties been carried at their respective fair values, the net assets value and per unit value of the Fund would have been as follows:

	<i>30 June 2025</i> <i>(Unaudited)</i> ﷲ	<i>31 December 2024</i> <i>(Audited)</i> ﷲ
Net assets as reported	1,426,416,674	1,454,156,186
Net appreciation in value based on valuation	119,995,595	80,886,701
Net assets at fair value of investment properties	1,546,412,269	1,535,042,887
Net assets per unit, at cost	7.6302	7.7785
Impact on net assets per unit for the appreciation in value	0.6418	0.4327
Net assets per unit at fair value	8.2720	8.2112

- 3.4 The Fund Manager determines the estimated useful lives of investment properties for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. The estimated useful lives of the buildings in the investment properties is 33 years. Land and work in progress are not depreciated.
- 3.5 In accordance with article 36 of the Real Estate Investment Funds Regulations issued by Capital Market Authority (CMA), Kingdom of Saudi Arabia, the Fund Manager estimates the fair value of the Fund's real estate assets based on two valuations prepared by independent valuers. The valuations of the investment properties as at 30 June 2025 were carried out by White Cubes and ValuStrat (31 December 2024: Jones Lang LaSalle Saudi Arabia Co. and Esnad), which are accredited valuers by Saudi Authority for Accredited Valuers (TAQEEM). The fair Value of the investment properties is recorded as the average value between the two accredited valuers. Key assumptions taken for valuation includes the rental income, occupancy rates, escalations, exit yield and discount rates.
- 3.6 Subsequent to period end, the Fund signed sale and purchase agreement for the sale of "Atelier Lavie" property located in Jeddah for a total selling price of ﷲ 515,000,000 (exclusive of real estate transaction tax and any other applicable selling fees). The buyer has paid a non-refundable deposit of ﷲ 5,000,000, with the remaining purchase price to be settled and title transfer will be completed within 60 business days, extendable by mutual written agreement between the parties.
- 3.7 On 13 May 2025, the Fund acquired Dunecrest American School, an educational complex located in Dubai, United Arab Emirates. The total acquisition cost amounted to ﷲ 169.2 million, which includes acquisition fee and brokerage fees payable to the Fund Manager amounting to ﷲ 1.21 million and ﷲ 2.02 million, respectively.
- 3.8 On 1 June 2025, the Fund signed a sale and purchase agreement to acquire Palm View, which is an office complex located in Al-Diriyah, Riyadh for a total purchase price of ﷲ 650 million. As per the agreement terms, the Fund paid ﷲ 540 million on the date of title deed transfer. The remaining ﷲ 110 million shall be paid in two instalments. The first instalment of ﷲ 55 million shall be paid within 15 working days from the issuance of the Building Completion Certificate. The second instalment of ﷲ 55 million shall be paid within 120 working days from the date of payment of first instalment. The cost of acquisition also includes real estate transaction cost (RETT) of ﷲ 32.5 million, as well as acquisition fee and brokerage fees payable to the Fund Manager amounting to ﷲ 4.88 million and ﷲ 16.25 million, respectively.

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

4 RENT RECEIVABLES, NET

This represents rent receivables from tenants of investment properties in accordance with the terms of the corresponding tenancy agreements.

	30 June 2025 (Unaudited) ₱	31 December 2024 (Audited) ₱
Gross rent receivables	199,342,156	108,981,595
Allowance for expected credit losses	(19,784,053)	(16,784,053)
	<u>179,558,103</u>	<u>92,197,542</u>

4.1 The movement in allowance for expected credit losses:

	30 June 2025 (Unaudited) ₱	31 December 2024 (Audited) ₱
Balance at 1 January	16,784,053	10,784,053
Charge for the period/ year	3,000,000	6,000,000
Balance at period / year end	<u>19,784,053</u>	<u>16,784,053</u>

The aging of rent receivables is as follows:

	30 June 2025 (Unaudited) ₱	31 December 2024 (Audited) ₱
Not due	32,268,154	12,615,982
0-30 days	63,883,259	39,679,351
31-60 days	12,144,012	10,673,593
61-90 days	41,996,837	17,650,405
91-150 days	-	728,008
151-180 days	2,438,000	10,759,560
More than 181 days	46,611,894	16,874,696
Balance at period / year end	<u>199,342,156</u>	<u>108,981,595</u>

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

5 CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited) ₹	31 December 2024 (Audited) ₹
Bank balances	120,862,140	1,299,076
Murabaha deposits with original maturities of less than three months (note (a) below)	-	182,000,000
	120,862,140	183,299,076

- a) During the period, the Fund earned finance income of ₹ 5,228,971 (30 June 2024: ₹ 997,809) at the rate of return ranging from 4.50% to 5.95% (30 June 2024: 5.35% to 5.65%).

6 FINANCING FACILITY FROM A BANK

During 2022, the Fund entered into a financing facility agreement with a local commercial bank with an approved limit of ₹ 1,175 million. During 2023, the approved limit increased to ₹ 1,716 million. Subsequently, during July 2025, the Fund increased the limit from ₹ 1,716 million to ₹ 1,869 million for purpose of acquisition of new real estate assets.

The facility carries a commission of three months SAIBOR + 1% to be paid every three months and the principal is repayable in a single bullet payment on 16 October 2028. The facility is secured against all existing investment properties, except for the new properties acquired during the current period.

As at 30 June 2025, the Fund has an undrawn amount of ₹ 41.7 million (31 December 2024: ₹ 748.5 million). The Fund has recorded financing charges based on effective commission rate method amounting to ₹ 39.6 million (June 2024: ₹ 31.06 million).

The above-mentioned financing arrangement has been disclosed in the interim condensed statements of financial position as follows:

	30 June 2025 (Unaudited) ₹	31 December 2024 (Audited) ₹
Non-current liabilities	1,662,157,961	953,489,955
Current liabilities – current portion of financing facility from a bank	18,213,394	12,098,951
	1,680,371,355	965,588,906

Current portion of financing facility from a bank presented above represent accrued commission amounting to ₹ 18.21 million (31 December 2024: ₹ 12.10 million).

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

7 DIVIDEND PAYABLE

During the period ended 30 June 2025, the Fund Board declared and approved cash dividends amounting to ₪ 23.37 million (31 December 2024: ₪ 93.47 million). Moreover, during the current period, the Fund paid an amount of ₪ 46.74 million to the Fund's Unitholders (31 December 2024: ₪ 97.31 million). Furthermore, subsequent to period end, the Fund declared cash dividends amounting to ₪ 24.55 million. The details for the distributions are follows:

Board Resolution date	The period paid for	Amount per unit (rounded)	Total
15 May 2024	1 January 2024 – 31 March 2024	0.1250	23,368,056
9 July 2024	1 April 2024 – 30 June 2024	0.1250	23,368,056
13-Nov-24	1 July 2024 – 30 September 2024	0.1250	23,368,056
26-Dec-24	1 October 2024 – 31 December 2024	0.1250	23,368,056
23-March-25	1 January 2025 – 31 March 2025	0.1250	23,368,056
15-July-25	1 April 2025 – 30 June 2025	0.1313	24,545,805

8 RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions comprise of transactions with the Fund Manager, the Fund Board, and other affiliates of the Fund Manager in the ordinary course of business, These transactions were carried out on the basis of approved term and conditions of the Fund.

Following are the details of related party transactions during the period:

Related party	Nature of transaction	For the six months period ended 30 June 2025 (Unaudited) ₪	For the six months period ended 30 June 2024 (Unaudited) ₪
SEDCO Capital (Fund Manager)	Management fees	7,675,214	8,099,840
	Administrative Fees	383,761	404,992
	Shariah Fees	15,000	15,000
	Brokerage and acquisition fees (3.7 and 3.8)	24,359,154	-
	Financing from the Fund Manager	5,000,000	-
	Payment made on behalf of the Fund	500,564	-
	Payment of Fund Manager fees and reimbursement of fees paid on behalf of the Fund	(14,504,832)	(15,371,096)
Al Mahmal Trading Company (Affiliate of Fund Manager)	Rent income	537,417	537,417
	Property management and rent collection fees	1,806,032	1,427,713
Fund Board	Board remuneration (note 12)	30,000	30,000

The balance due to a related party as at 30 June 2025 amounted to ₪ 40,515,025 (31 December 2024: ₪ 17,086,164) which represents the amount payable to the Fund Manager. Additionally, the balance due to Al Mahmal Trading Company amounted to ₪ 2,190,705 (31 December 2024: ₪ 2,770,202) represents the amount payable for property management and rent collections fees which is presented under accrued expenses and other payable (note 9).

Furthermore, the balance due to Fund Board amounted ₪ 30,000 (31 December 2024: Nil) which is presented under accrued expenses and other payable (note 9).

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

9 ACCRUED EXPENSES AND OTHER PAYABLE

Accrued expenses and other payables comprise of the following:

	30 June 2025 (Unaudited) ₪	31 December 2024 (Audited) ₪
Output VAT payable	9,295,719	2,964,960
Maintenance fee payable (note 8)	2 190,705	2,770,202
Security deposits	1,708,907	2,880,211
Custody fee payable	1,278,944	971,935
Valuation fee payable	422,986	422,986
Accrued professional fees	126,765	112,765
Board fee payable (note 8)	30,000	-
Tadawul and Edaa fee payable	5,000	5,000
Other payable	43,277	45,527
	15,102,303	10,173,586

10 DEFERRED REVENUE

This represents rental income received in advance as well as amounts billed in advance against which the Fund has contractual right to invoice and receive payment in respect of investment properties. Movement in deferred revenue is as follows:

	30 June 2025 (Unaudited) ₪	31 December 2024 (Audited) ₪
Balance at 1 January	7,645,222	8,682,428
Invoices issued and advance collections during the period / year	151,323,875	172,496,870
Revenue earned during the period / year	(89,356,432)	(173,534,076)
Balance at 30 June / 31 December	69,612,665	7,645,222

11 UNITS IN ISSUE

The Fund initially issued a total of 60,000,000 units at the price of ₪ 10 per unit. During the year ended 31 December 2021, the Fund initiated a capital increase and issued additional 57,500,000 units at ₪ 10 per unit to reach total number of units issued of 117,500,000 units. Furthermore, during the year ended 31 December 2023, the Fund initiated a capital increase and issued additional 69,444,444 units at a discounted price of ₪ 8.64 per unit. Net proceeds from the capital increase amounted to ₪ 600 million. Total number of units issued as at period end is 186,944,444 units (31 December 2024: 186,944,444).

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

12 OPERATING AND OTHER EXPENSES

Operating and other expenses comprise of the following:

	<i>For the six months period ended 30 June 2025 (Unaudited) ₹</i>	<i>For the six months period ended 30 June 2024 (Unaudited) ₹</i>
Operating and maintenance expenses	6,593,513	7,099,794
Tadawul and Edaa fees	558,767	360,155
Professional fees	536,500	523,678
Custody fees	307,009	323,994
Board remuneration fees (note 8)	30,000	30,000
Other expenses	877,950	777,461
	8,903,739	9,115,082

13 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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 takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund.

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

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

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

SEDCO CAPITAL REIT FUND

(Managed by SEDCO Capital)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) **(continued)**

At 30 June 2025

13 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

External valuers are involved for valuation of investment properties. Involvement of external valuers is determined and approved annually by the Fund Board. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every five years. The Fund Board decides, after discussions with the external valuers, which valuation techniques and inputs to use for each investment property.

At each reporting date, the Fund Manager analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Fund's accounting policies. For this analysis, the Fund Manager verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Fund Manager also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Financial assets that are not measured at fair value include cash and cash equivalents, rent receivables and other receivables and financial liabilities that are not measured at fair value include financing facility from a bank, property acquisition payable, dividend payable and due to a related party and other payable. The fair values of the financial instruments are not materially different from their carrying amounts.

14 LAST VALUATION DAY

The last valuation day of the period was 30 June 2025 (2024: 31 December 2024).

15 EVENTS AFTER THE REPORTING DATE

On 6 July 2025, the Fund completed the acquisition of an office property in Riyadh for ﷲ 135 million. As of 30 June 2025, the Fund had paid SR 6.7 million to ZATCA for Real Estate Transaction Tax (RETT), which is classified under prepayments and other assets. Additionally, on 27 July 2025, the Fund signed a sale agreement to dispose of the "Atelier Lavie" property in Jeddah for ﷲ 515 million.

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

These interim condensed have been approved by the Fund Board on 11 August 2025G, (corresponding to 17 Safar 1447H).