

DERAYAH REIT FUND
Close-Ended Real Estate Investment Traded Fund
(Managed by Derayah Financial Company)
Interim condensed financial statements (Un-audited)
For the six-months period ended 30 June 2025
Together with the
Independent Auditor's Review Report to the Unitholders

DERAYAH REIT FUND
A Real Estate Investment Traded Fund
(Managed by Derayah Financial Company)
Interim Condensed Financial Statements (Un-audited)
For the six month period ended 30 June 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

**TO THE UNITHOLDERS OF DERAYA REIT FUND
MANAGED BY DERAYAH FINANCIAL COMPANY**

(1 /1)

Riyadh – Kingdom of Saudi Arabia

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Derayah REIT Fund (the "Fund") as at 30 June 2025 and the related interim condensed statement of comprehensive income, interim condensed statements of changes in net assets (equity) attributable to the unitholders and interim condensed statement of cash flows for the six-months period then ended, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed 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 condensed 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 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 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 AI Bassam
Chartered Accountants**



Abdullellah Al-Bassam
Certified Public Accountant
License No. 703
Riyadh, Kingdom of Saudi Arabia
16 Safar 1447H
Corresponding to: 10 August 2025



DERAYAH REIT FUND
Close-ended Real Estate Investment Traded Fund
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INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2025

(Amounts in SAR)

	Note	30 June 2025 (Un-audited)	31 December 2024 (Audited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	6,880,493	3,529,340
Rent receivables, net	5	78,111,033	72,387,065
Investments carried at FVTPL		8,469,200	27,199,885
Prepaid expenses and other current assets		5,124,336	3,593,443
TOTAL CURRENT ASSETS		98,585,062	106,709,733
NON-CURRENT ASSETS			
Investment properties, net	6	1,383,325,130	1,393,073,140
Benefit contracts, net	7	25,836,368	26,868,240
TOTAL NON-CURRENT ASSETS		1,409,161,498	1,419,941,380
TOTAL ASSETS		1,507,746,560	1,526,651,113
LIABILITIES			
CURRENT LIABILITIES			
Unearned rental income		19,271,334	21,803,323
Accrued management fees	9	5,440,402	5,875,608
Due to related parties	9	68,000	299,000
Accrued finance expenses	10	9,189,198	9,720,345
Accrued expenses and other liabilities		5,217,481	8,911,642
Accrued dividend		76,113	7,591,486
TOTAL CURRENT LIABILITIES		39,262,528	54,201,404
NON-CURRENT LIABILITIES			
Long-term borrowings	10	610,000,000	602,882,834
TOTAL NON-CURRENT LIABILITIES		610,000,000	602,882,834
TOTAL LIABILITIES		649,262,528	657,084,238
Net assets attributable to the Unitholders		858,484,032	869,566,875
Units in issue (<i>numbers</i>)		107,507,035	107,507,035
Book value attributable to each unit		7.99	8.09
Fair value attributable to each unit	8	9.54	9.47

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

DERAYAH REIT FUND
Close-ended Real Estate Investment Traded Fund
(Managed by Derayah Financial Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six-month period ended 30 June 2025

(Amounts in SAR)

	<u>Note</u>	<u>30 June 2025</u> <u>(Un-audited)</u>	<u>30 June 2024</u> <u>(Un-audited)</u>
<u>Investment income</u>			
Rental income, net		50,928,426	49,543,804
Realized gain from investments carried at FVTPL		79,570	-
Unrealized gain from investments carried at FTVPL		611,148	-
Total income		51,619,144	49,543,804
Depreciation expense on investment properties	6	(9,945,256)	(9,984,116)
Reversal of impairment on investment properties	6	197,246	8,018,426
Fund management fees	9	(4,340,812)	(3,650,094)
Finance expenses	10	(20,645,318)	(24,423,587)
Professional expenses		(834,827)	(368,675)
Real estate property management fees		(1,743,105)	(824,777)
Amortization of benefit contracts	7	(1,031,872)	(1,031,872)
Expected credit loss expense	5	(2,900,000)	(3,000,000)
Other expenses		(3,418,390)	(2,263,930)
Total expenses		(44,662,334)	(37,528,625)
Net income for the period		6,956,810	12,015,179
Other comprehensive income		-	-
Total comprehensive income for the period		6,956,810	12,015,179

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

DERAYAH REIT FUND
Close-ended Real Estate Investment Traded Fund
(Managed by Derayah Financial Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS (UN-AUDITED)

For the six-month period ended 30 June 2025

(Amounts in SAR)

	Note	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
Net assets value attributable to the Unitholders at the beginning of the period		869,566,875	884,475,609
Total comprehensive income for the period		6,956,810	12,015,179
Dividends	12	(18,039,653)	(9,191,290)
Net assets value attributable to the Unitholders at the end of the period		858,484,032	887,299,498

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

DERAYAH REIT FUND
Close-ended Real Estate Investment Traded Fund
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INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2025

(Amounts in SAR)

	Note	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period before zakat		6,956,810	12,015,179
<i>Adjustments to reconcile net income:</i>			
Realized gains on investments carried at FVTPL		(79,570)	-
Unrealized gain from investments carried at FVTPL		(611,148)	-
Financing expenses	10	20,645,318	24,423,587
Provision for expected credit losses	5	2,900,000	3,000,000
Depreciation on Investment Properties	6	9,945,256	9,984,116
Reversal of impairment on investment properties	6	(197,246)	(8,018,426)
Amortization of benefit contracts	7	1,031,872	1,031,872
		<u>40,591,292</u>	<u>42,436,328</u>
Changes in operating assets:			
Rent receivable		(8,623,968)	(19,603,991)
Prepaid expenses and other current assets		(1,530,893)	266,266
Changes in operating Liabilities:			
Unearned rental income		(2,531,989)	5,507,657
Accrued management fees		(435,206)	3,650,094
Due to related parties		(231,000)	(1,818,659)
Accrued expenses and other liabilities		(11,209,534)	2,669,422
Net cash (used in) / generated from operating activities		<u>16,028,702</u>	<u>33,107,117</u>
INVESTING ACTIVITIES			
Purchase of investments carried at FVTPL		(23,168,596)	-
Proceeds from sale of investments carried at FVTPL		42,589,998	-
Net cash generated from investing activities		<u>19,421,402</u>	<u>-</u>
FINANCING ACTIVITIES			
Dividends paid		(18,039,653)	(9,191,290)
Long-term borrowings drawn	10	610,000,000	-
Long-term borrowings repayments	10	(602,882,833)	-
Finance expenses paid	10	(21,176,465)	(23,412,304)
Net cash used in financing activities		<u>(32,098,951)</u>	<u>(32,603,594)</u>
Change in cash and cash equivalents during the period			
		3,351,153	503,523
Cash and cash equivalents at the beginning of the period		<u>3,529,340</u>	<u>4,831,432</u>
Cash and cash equivalents at the end of the period	4	<u>6,880,493</u>	<u>5,334,955</u>

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

DERAYAH REIT FUND
Close-ended Real Estate Investment Traded Fund
(Managed by Derayah Financial Company)

Notes to the interim condensed financial statements (Unaudited)

For the six-month period ended 30 June 2025

(All amounts in SAR)

1. THE FUND AND ITS ACTIVITIES

Derayah REIT Fund (the "Fund") is a closed-ended Sharia compliant real estate investment traded Fund. The Fund began operations on 26 March 2018.

Derayah Financial Company ("Fund Manager"), a Saudi joint stock company, under the Commercial Registration No. 1010266977 dated 04/05/1430 H corresponding to 29/4/2009, and licensed as a "Capital Market Institution" under the Capital Market Authority License No. 27-08109 to practice an activity dealing as principal and agent, management and custody in securities business.

The Fund is listed on the Saudi Stock Exchange ("Tadawul") and its units are traded in accordance with the relevant laws and regulations. The capital of the Fund is 1,075,070,350 Saudi riyals, and the term of the Fund is 99 years starting from the date of listing units in Tadawul, renewable for a similar period according to the Fund manager's discretion and after obtaining the approval of the Capital Market Authority.

The Fund aims to invest in real estate assets capable of achieving periodic rental income within the Kingdom of Saudi Arabia and in line with the Fund's investment strategy, and to distribute at least 90% of the Fund's net income in accordance with Real Estate Investment Funds Regulations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). They should be read in conjunction with the Fund's most recent annual financial statements for the year ended December 31, 2024. These interim condensed financial statements do not typically include all the information required to prepare the financial statements, but specific accounting policies and explanatory notes are included to explain significant events and transactions since December 31, 2024.

Furthermore, the results for the six-month period ended June 30, 2025, are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2025.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, using accrual basis.

2.3 Regulatory regulations

The Fund operates in accordance with the Real Estate Investment Funds Regulations issued by the Capital Market Authority, which stipulate the requirements that must be followed by real estate investment funds and real estate investment traded funds operating in the Kingdom.

2.4 Functional and operational currency

These interim condensed financial statements are presented in Saudi Riyals, which is the Fund's functional and presentation currency.

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(All amounts in SAR)

2. BASIS OF PREPARATION (CONTINUED)

2.5 Critical accounting judgments, estimates and assumptions

The preparation of these interim condensed financial statements requires Fund Manager to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by the Fund Manager in applying the Fund' accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

2.6 Summary of material accounting policies

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2024.

2.7 Newly issued financial reporting pronouncements

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2025, but they do not have a material effect on the Fund's condensed interim financial statements. Certain other forthcoming accounting pronouncements not yet effective are also not expected to have a material impact on the Fund.

3. MANAGEMENT FEES AND OTHER EXPENSES

On a semi-annual basis, the fund manager charges the fund a management fee of 0.85% per annum of the fund's net asset value. In addition, the fund manager charges a one-time transaction fee of up to 1% of the purchase or sale price of the real estate assets.

4. CASH AND CASH EQUIVALENTS

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Cash at bank	6,880,493	3,529,340
	6,880,493	3,529,340

Cash in current accounts are held with local banks. The Fund does not earn profit on these current accounts.

5. RENT RECEIVABLES, NET

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Rent receivables	114,640,699	106,016,731
Expected credit loss expense	(36,529,666)	(33,629,666)
	78,111,033	72,387,065

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(All amounts in SAR)

5. RENT RECEIVABLES, NET (CONTINUED)

The movement in expected credit loss provision is summarized as follow:

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
1 January	(33,629,666)	(43,105,450)
Written off during the period / year	-	8,359,863
Charge for the period / year	(2,900,000)	(5,800,223)
Adjustment made during the period / year	-	6,916,144
30 June	(36,529,666)	(33,629,666)

6. INVESTMENT PROPERTIES, NET

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance at the beginning of the period	766,585,825	795,620,451	1,562,206,276
Balance at the end of the period	766,585,825	795,620,451	1,562,206,276
<u>Accumulated Depreciation</u>			
Balance at the beginning of the period	-	(133,450,931)	(133,450,931)
Charge for the year	-	(9,945,256)	(9,945,256)
Balance at the end of the period	-	(143,396,187)	(143,396,187)
<u>Impairment</u>			
Balance at the beginning of the period	-	(35,682,205)	(35,682,205)
Reversal of provision of impairment during the period	-	197,246	197,246
Balance at the end of the period	-	(35,484,959)	(35,484,959)
<u>Book Value:</u>			
Balance as of 30 June 2025	766,585,825	616,739,305	1,383,325,130

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Notes to the interim condensed financial statements (Unaudited)

For the six-month period ended 30 June 2025

(All amounts in SAR)

6. INVESTMENT PROPERTIES, NET (CONTINUED)

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance at the beginning of the year	769,182,625	798,729,319	1,567,911,944
Additions during the year		-	-
Disposals during the year	<u>(2,596,800)</u>	<u>(3,108,868)</u>	<u>(5,705,668)</u>
Balance at the end of year	<u>766,585,825</u>	<u>795,620,451</u>	<u>1,562,206,276</u>
<u>Accumulated Depreciation</u>			
Balance at the beginning of the year	-	(113,985,193)	(113,985,193)
Charge for the year	-	(19,942,757)	(19,942,757)
Disposals depreciation	-	477,019	477,019
Balance at the end of the year	<u>-</u>	<u>(133,450,931)</u>	<u>(133,450,931)</u>
<u>Impairment</u>			
Balance at the beginning of the year	-	(43,316,847)	(43,316,847)
Reversal of provision of impairment during the year	-	7,634,642	7,634,642
Balance at the end of the year	<u>-</u>	<u>(35,682,205)</u>	<u>(35,682,205)</u>
<u>Book Value:</u>			
As of 31 December 2024	<u>766,585,825</u>	<u>626,487,315</u>	<u>1,393,073,140</u>

6.1 The Fund charge depreciation on building over 40 years. Depreciation is calculated on a straight-line basis.

6.2 All properties are registered in the name of the company "Derayah Real Estate Custody" ("the SPV"), except for the real estate secured by obtaining loans (see note 10). The SPV is holding these properties for beneficial ownership of the Fund and does not process any controlling interests or any stake in the real estate

6.3 The Fund Manager periodically reviews the investment properties to assess whether there is any indication of impairment in asset values. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. As of June 30, 2025, an impairment allowance of SAR 197,246 (June 30, 2024: SAR 8.01 million) was reversed.

The average fair value of the investment properties has been rated as Level 3 fair value based on the inputs and the valuation techniques used.

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(All amounts in SAR)

6. INVESTMENT PROPERTIES, NET (CONTINUED)

Investments properties consist of 23 properties which are as follows:

<ul style="list-style-type: none"> - Smart Tower: Office & Retail in Al-Olaya District, Riyadh - Jubail Views Residential Compound: A residential compound in Rawdah Al Khalidiya in Jubail. - Mena Warehouses Complex: Three warehouses (administrative and service offices) in Al-Mina area in Dammam - The Grand (A) Residential Building: An integrated residential property located in Dammam - Education & Skills School: An educational building located in Al-Deraiya governorate in Riyadh - Rasil Medical Center: A medical center building located in Al- Mansourah district in Riyadh - City Life Plaza: A commercial property in the Monceya in Riyadh. - Al-Wadi District Warehouses: represents a warehouse and a residential building and is located in the valley district in Jeddah - Jeddah Khumarh Warehouses: a warehouse located in the Sarawat district in Jeddah - Riyadh Al-Azizia Warehouses (1): A warehouse located in Al-Aziziya district in Riyadh - Motoon Towers: A hotel property located in Al-Olaya in Riyadh. - Al-Fanar Commercial Complex: Commercial real estate in Al-Raka in Al-Khobar. - Khalijah business centre. 	<ul style="list-style-type: none"> - The Grand (B) Commercial Building: An educational property located in Dammam - Jubail Employees Residential Buildings: Four residential buildings located in three close areas in the north of Jubail. - Khobar Labor Housing: A residential building for workers in Al-Thaqbah in Al-Khobar - Jeddah Office Tower: An administrative and office building located in Jeddah. - Sulay Warehouses Complex: A collection of warehouses located in Al-Sulay in Riyadh. - Khalidiya District Warehouses (1). Two warehouses located in the northern Khalidiya district of Dammam - Dammam Labor Housing. Three residential buildings in Al-Mina district in Dammam - Al-Khalidiyyah District Warehouses (2): A warehouse located in the Khalidiya district in Dammam. - Riyadh Al-Azizia Warehouses (2): A warehouse located in Al-Aziziya district in Riyadh. - AlSitteen Commercial Center: Commercial-Office Property in Al-Zubat district in Riyadh.
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7. BENEFIT CONTRACTS, NET

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
<u>Cost</u>		
Balance at the beginning of the period / year	41,274,864	41,274,864
Balance at end of the period / year	41,274,864	41,274,864
<u>Accumulated amortization</u>		
Balance at the beginning of the period / year	(14,406,624)	(12,342,881)
Charge for the period / year	(1,031,872)	(2,063,743)
Balance at end of the period / year	(15,438,496)	(14,406,624)
<u>Book Value:</u>		
Balance at the end of the period / year	25,836,368	26,868,240

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Notes to the interim condensed financial statements (Unaudited)

For the six-month period ended 30 June 2025

(All amounts in SAR)

7. BENEFIT CONTRACTS, NET (CONTINUED)

Benefit contracts consist of real estate as detailed below:

- The Valley Commercial Complex: a shopping centre in Al-Ahsa.

8. EFFECT ON NET ASSET VALUE IF INVESTMENT PROPERTIES ARE FAIR VALUED

In accordance with Real Estate Investment Funds Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia, the Fund Manager evaluates the Fund's assets based on an average of two evaluations prepared by independent evaluators. However, in accordance with the policy of the Fund, investment property is stated at cost less accumulated depreciation and impairment, if any, in these financial statements. Accordingly, fair value is disclosed below for the purpose of obtaining information and is not accounted for in the books of the Fund.

The fair value of real estate investments and benefit contracts is determined by two valuers of each asset, namely Esnad Real Estate Valuation Company, and White Cubes. The following is an assessment of real estate investments and benefit contracts as at 30 June 2025 and 31 December 2024:

<u>30 June 2025</u>	<u>First Appraiser</u>	<u>Second Appraiser</u>	<u>Average</u>
Investment properties	1,549,789,000	1,541,400,000	1,545,594,500
Benefit contracts	25,148,000	36,000,000	30,574,000
Total	1,574,937,000	1,577,400,000	1,576,168,500
<u>31 December 2024</u>	<u>First Appraiser</u>	<u>Second Appraiser</u>	<u>Average</u>
Investment properties	1,536,800,000	1,538,147,333	1,537,473,667
Benefit contracts	35,800,000	25,916,000	30,858,000
Total	1,572,600,000	1,564,063,333	1,568,331,667

The management used the average valuations for the purpose of disclosing the fair value of investment properties and benefit contracts.

The investment and benefit contracts were valued taking into consideration number of factors, including the area and type of property and valuation techniques using material 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 investment properties fair value versus cost:

	<u>30 June 2025 (Un-audited)</u>	<u>31 December 2024 (Audited)</u>
Estimated fair value of investment properties and benefit contracts based on the average of the two valuers used	1,576,168,500	1,568,331,667
Less book value:		
Investment properties	(1,383,325,130)	(1,393,073,140)
Benefit contracts	(25,836,368)	(26,868,240)
Increase in estimated fair value of carrying value	<u>167,007,002</u>	<u>148,390,287</u>
Units in issue (numbers)	<u>107,507,035</u>	<u>107,507,035</u>
The additional share of the unit of estimated fair value	<u>1.55</u>	<u>1.38</u>

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(All amounts in SAR)

8. EFFECT ON NET ASSET VALUE IF INVESTMENT PROPERTIES ARE FAIR VALUED
(CONTINUED)

	30 June 2025	31 December 2024
	(Un-audited)	(Audited)
<i>Net asset attributable to unitholders:</i>		
Net assets attributable to unitholders as per the financial statements before fair value adjustment	858,484,032	869,566,875
Increase in estimated fair value of carrying value	167,007,002	148,390,287
Net value of assets attributable to unit holders on the basis of fair value of investment property and benefit contracts	1,025,491,034	1,017,957,162
	30 June 2025	31 December 2024
	(Un-audited)	(Audited)
<i>Net asset attributable to each unit:</i>		
Carrying value per unit as per the financial statements before fair value adjustment	7.99	8.09
The unit value is based on fair value	1.55	1.38
Net assets attributable to each unit	9.54	9.47

9. RELATED PARTY TRANSACTIONS

Related parties to the Fund include Derayah Financial Company (Fund Manager), Alinma Investment Company (Custodian) and BOD members. In the ordinary course of its activities, the Fund transacts business with related parties and any party that has the ability to control another party or exercise a material influence over it in making financial or operational decisions.

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	Nature of Transactions	Amount of transactions	
			30 June 2025	30 June 2024
			(Un-audited)	(Un-audited)
Derayah Financial	Fund Manager	Management fee	4,340,812	3,650,094
Alinma Investment Company	Custodian	Custody fees	60,000	30,000
BOD members	Board members	Allowances and bonuses	-	6,000

Due to Related Parties

Related Party	Nature of Transactions	30 June 2025	31 December 2024
		(Un-audited)	(Audited)
Derayah Financial	Management fees	(5,440,402)	(5,875,608)
	Dealing fees	-	(51,000)
Alinma Investment Company	Custody fees	(60,000)	(240,000)
BOD members	Allowances and bonuses	(8,000)	(8,000)

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(All amounts in SAR)

10. LONG-TERM BORROWINGS

The Fund obtained a long-term credit facility from Alinma Bank on April 6, 2025, with a credit limit of SAR 750 million. During the period, the Fund utilized SAR 610 million, maturing within five years, to repay a loan to Al Rajhi Bank. The loan includes a variable commission, which is paid semi-annually over the loan term. The loan is secured by mortgaging all Derayah REIT Fund properties in favor of Alinma Bank as collateral for the financing provided to the Fund. The mortgage on these instruments will be released after the full value of the loans is repaid to Alinma Bank.

Type of the loan	Nature of the loan	Balance as of		Finance expense	
		30 June 2025 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Tawaruq	Long term	610,000,000	602,882,834	20,645,318	46,843,984
		610,000,000	602,882,834	20,645,318	46,843,984

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	602,882,834	607,982,834
Drawn during the period / year	610,000,000	-
Repayment during the period / year	(602,882,834)	(5,100,000)
Balance at end of the period / year	610,000,000	602,882,834

Accrued finance expenses

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	9,720,345	-
Charged during the period / year	20,645,318	46,843,984
Paid during the period / year	(21,176,465)	(37,123,639)
Balance at end of the period / year	9,189,198	9,720,345

11. DIVIDENDS

During the period ending June 30, 2025, the dividend distributions during the period are as follows:

- On January 22, 2025, the Fund Manager approved a dividend distribution to unitholders for the fourth quarter of 2024 in the amount of SAR 0.084 per unit, totaling SAR 9,030,591 to unitholders.

- On April 24, 2025, the Fund Manager approved a dividend distribution to unitholders for the first quarter of 2025 in the amount of SAR 0.084 per unit, totaling SAR 9,030,591 to unitholders.

12. SUBSEQUENT EVENTS

The Fund Manager initiated legal proceedings against the main tenant of the Smart Tower property to collect overdue rent. A preliminary court ruling was issued in favour of the Fund, ordering the main tenant of the Smart Tower property to pay a portion of the overdue rent in the amount of SAR 36 million related to the Smart Tower property in Riyadh. A preliminary court ruling was also issued in favour of the Fund, ordering the termination of the electronic lease contract concluded with the tenant, due to proven failure to pay rent.

DERAYAH REIT FUND
Close-ended Real Estate Investment Traded Fund
(Managed by Derayah Financial Company)

Notes to the interim condensed financial statements (Unaudited)

For the six-month period ended 30 June 2025

(All amounts in SAR)

12. SUBSEQUENT EVENTS (CONTINUED)

The Fund Manager initiated legal proceedings in the State of Kuwait against the former tenant of the Matoon Tower property to recover outstanding rental dues. A final court judgment was issued in favour of the Fund, ordering the tenant to settle the outstanding rent.

13. SEGMENT INFORMATION

The Fund invested in 23 real estate investments and 1 benefit contract in the Kingdom of Saudi Arabia. As they are invested in a single industry sector and one country, no segment information has been presented.

14. LAST VALUATION DAY

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

15. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Fund Manager on 3 August 2025 (corresponding to 9 Safar 1447 H).