

MANAZEL AL MAMLAKA

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

MANAZEL AL MAMLAKA

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MANAZEL AL MAMLAKA****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Manazel Al Mamlaka (the "Fund") which comprise the statement of financial position as at 31 December 2024 and the statement of comprehensive income, statement of changes in net assets attributable to holders of non-redeemable participating shares and the statement of cash flows for year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the Cayman Islands Institute of Professional Accountants' Code of Ethics for Professional Accountants ("CIIPA Code") and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CIIPA Code and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 to the financial statements, which describes that on 28 July 2025, the Board of Directors of the Fund's manager resolved to approve the orderly liquidation of the Fund and its associated entities. Accordingly, management determined that the going concern basis of accounting was no longer appropriate, and the financial statements have been prepared on a basis other than going concern. Note 3 describes the basis of preparation adopted and the principal effects of this change on the recognition, measurement and classification of assets and liabilities. Our opinion is not modified in respect of this matter.

We draw attention to Note 4 of the financial statements, which states that as at 31 December 2024 the Fund measured its Wakala investment at fair value through profit or loss at SAR 39,673,713 (2023: SAR 43,532,060). This valuation is based on the adjusted net asset values derived from the audited financial statements of the underlying asset-holding companies, Manazel Compounds Real Estate LLC (MCRE) and Manazel Management Real Estate LLC (MMRE). As described in Note 19, the underlying assets are in the process of being realised under the approved liquidation plan, and the actual amount ultimately realised may differ materially from its recorded fair value.

We draw attention to Note 10 to the financial statements, which describes the Fund's related party transactions and balances. As further described in Note 19, related party receivables and payables are expected to be settled subsequent to the reporting date. Our opinion is not modified in respect of this matter.

Our opinion is not modified in respect of the matters described in this section.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern and for using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so. As described in Note 3, management has determined that the going concern basis of accounting is no longer appropriate and, accordingly, the financial statements have been prepared on a basis other than going concern.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS OF MANAZEL AL MAMLAKA**

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of a basis of accounting other than going concern and, based on the audit evidence obtained, whether the disclosures in the financial statements regarding the change in the basis of preparation are adequate.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of Our Report

This report, including the opinion, has been prepared for and only for the Fund's shareholders as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come.



Moore

21 May 2026

MANAZEL AL MAMLAKA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024


(Expressed in Saudi Riyal unless otherwise stated)

	<i>Note</i>	2024 SAR	2023 SAR
Assets			
Wakala investment at fair value through profit or loss	<i>4</i>	39,673,713	43,532,060
Due from related party	<i>10</i>	-	22,659,551
Profit receivable	<i>5</i>	-	1,717,790
Cash and cash equivalents	<i>6</i>	-	54,883,411
Total assets		39,673,713	122,792,812
Liabilities			
Due to related parties	<i>10</i>	1,189,000	79,806,388
Accruals and other payables		257,992	189,937
Total liabilities		1,446,992	79,996,325
Net assets attributable to holders of non-redeemable participating shares		38,226,721	42,796,487

The financial statements as at and for the year ended 31 December 2024 were approved and authorised for issuance by the Directors of the Fund on behalf of the shareholders on 21 May 2026.



Haithem Al Katerji
Director



Majdi Abdulla Mahmoud
Director

The attached notes are an integral part of these financial statements.

MANAZEL AL MAMLAKA

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Saudi Riyal unless otherwise stated)

	<i>Note</i>	2024 SAR	2023 SAR
Investment income			
Changes in fair value of Wakala investment at fair value through profit or loss	4	(3,858,347)	29,176,546
Other income		6,204	1,015
Net investment (loss)/gain		(3,852,143)	29,177,561
Operating expenses			
Professional and legal fees		(228,533)	(148,864)
Bank charges		(2,721)	(3,066)
Loss on foreign exchange		(486,369)	(161,273)
Other expenses		–	(12,922)
Total operating expenses		(717,623)	(326,125)
Operating (loss)/income		(4,569,766)	28,851,436
Distributions to holders of non-redeemable participating shares		–	–
(Decrease)/increase in net assets attributable to holders of non-redeemable participating shares from operations		(4,569,766)	28,851,436

The attached notes are an integral part of these financial statements.

MANAZEL AL MAMLAKA

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF NON-REDEEMABLE PARTICIPATING SHARES FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Saudi Riyal unless otherwise stated)

	2024 SAR	2023 SAR
Net assets attributable to holders of non-redeemable participating shares at 1 January	42,796,487	13,945,051
(Decrease)/increase in net assets attributable to holders of non-redeemable participating shares from operations	(4,569,766)	28,851,436
Net assets attributable to holders of non-redeemable participating shares at 31 December	38,226,721	42,796,487

The attached notes are an integral part of these financial statements.

MANAZEL AL MAMLAKA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Saudi Riyal unless otherwise stated)

	<i>Note</i>	2024 SAR	2023 SAR
OPERATING ACTIVITIES			
(Decrease)/increase in amount attributable to holders of non-redeemable participating shares		(4,569,766)	28,851,436
Adjustments:			
Changes in fair value of Wakala investment at fair value through profit or loss	4	3,858,347	(29,176,546)
		(711,419)	(325,110)
Changes in working capital:			
Due from related party		22,659,551	–
Profit receivable		1,717,790	(1,415,511)
Due to a related party		(78,617,388)	(30,398,105)
Accruals and other payables		68,055	61,875
Net cash used in operating activities		(54,883,411)	(32,076,851)
Decrease in cash and cash equivalents during the year		(54,883,411)	(32,076,851)
Cash and cash equivalents at the beginning of the year		54,883,411	86,960,262
Cash and cash equivalents at the end of the year	6	–	54,883,411

The attached notes are an integral part of these financial statements.

MANAZEL AL MAMLAKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Saudi Riyal unless otherwise stated)

1. Legal status and principal activities

Manazel Al Mamlaka (the "Fund") is a closed-ended investment fund domiciled and incorporated in the Cayman Islands on 20 February 2012, under certificate of incorporation No.MC-266442 as an exempted company, pursuant to the provisions of Cayman Islands Companies Act. The Fund commenced its operations on 1 January 2014.

The Fund's registered office is at offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Fund's investment activities are managed by The First Investor Q.P.S.C. (the 'Investment Manager'), a company domiciled in the State of Qatar.

The Fund offers its shares to a broad group of investors solely from the State of Qatar.

The Fund is regulated by Cayman Islands Monetary Authority (CIMA), under the Private Funds Act (as revised) and was registered with CIMA on 5 August 2020.

The Fund was due to terminate three (3) years from the First Closing Date i.e. 30 November 2015, with two one-year extensions at the discretion of the Fund Board but subject to exit risk considerations as set out in the Information Memorandum.

On 1 November 2021, the Directors resolved to extend the term of the Fund for 1 more year till 1 November 2022 as permitted by the Information Memorandum.

On 07 January 2024, the Directors resolved to extend the term of the Fund till 30 November 2024 as permitted by the Information Memorandum.

On 30 November 2024, the Directors resolved to extend the term of the Fund, until the commencement of the voluntary liquidation of the Fund as permitted by the Information Memorandum.

On July 28, 2025, the Board of Directors of the Fund resolved to approve the orderly liquidation of the Fund. This matter has been further disclosed in Note 19 to the financial statements.

The principal activity of the Fund is to indirectly invest in income producing compounds in the Kingdom of Saudi Arabia through Islamic Shariah compliant investment structure. This is achieved via a Wakala agreement with Al Mejdaf Real Estate W.L.L., a special purpose entity incorporated in the State of Qatar which will in turn be investing in Manazel Compounds Real Estate L.L.C. in the form of share capital and shareholder loans which holds income producing compound properties in the Kingdom of Saudi Arabia.

2. Adoption of new and revised IFRS (International Financial Reporting Standards) Accounting Standards

2.1. New standards and amendments effective in the period on or after 1 January 2024

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2024 that have a material effect on the financial statement of the Funds

2.2. New standards and amendments issued but not yet effective for year ended 31 December 2024

A new number of standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024 and have not early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

MANAZEL AL MAMLAKA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (Expressed in Saudi Riyal unless otherwise stated)

3. Basis of preparation and material accounting policies and estimates

Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB (International Accounting Standard Board) and interpretations issued by the IFRIC. The financial statements have been prepared in Saudi Arabian Riyal (SAR), which is the Fund's functional and presentation currency and all financial information has been rounded off to the nearest SAR, unless otherwise indicated.

Basis of measurement

These financial statements have been prepared on the historical cost basis except for Wakala Investment which has been measured at fair value through profit or loss.

Material accounting policies

These principal accounting policies that have been applied consistently by the Fund to all years presented in these financial statements are set out below.

Revenue recognition

Income from Wakala investment at fair value through profit or loss

Income from Wakala investment at fair value through profit or loss is recognised on an accrual basis as the agent declares net results for each year and the right to receive payment is established. Losses are accounted for on the date of declaration by the agent.

Other income

Other income represents the profit earned on short term deposits and call deposits and is recognized when earned and on accrual basis.

Expenses

Expenses are recognized for amounts to be paid in the future for goods or services received whether or not billed to the Fund.

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents' includes cash in hand, deposits held at call with banks and brokers and other short-term investments in an active market with original maturities of three months.

Financial instruments – recognition, classification, measurement, derecognition and offsetting

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) Initial recognition and initial measurement

Financial assets can be classified on initial recognition (i) at amortized cost or (ii) fair value through profit or loss.

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

MANAZEL AL MAMLAKA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Saudi Riyal unless otherwise stated)

3. Basis of preparation and material accounting policies and estimates (continued)

Material accounting policies (continued)

Financial instruments – recognition, classification, measurement, derecognition and offsetting (continued)

Financial assets (continued)

(i) Initial recognition and initial measurement (continued)

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and profit (SPPP)' on the principal amount outstanding. This assessment is referred to as the SPPP test and is performed at an instrument level. The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

(ii) Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified as follows:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

The Fund has Wakala investment which is an Islamic Shariah compliant equity instrument and is a non-derivative financial asset and is not quoted in an active market. The equity instrument is not entered into with the intention of immediate or short-term resale but to receive the profits generated from the investment. Subsequent to initial recognition, Wakala investment at fair value through profit or loss is measured at fair value. Gains and losses arising from changes in the fair value of the Wakala investment are presented in the statement of comprehensive income within the changes in fair value of Wakala investment at fair value through profit or loss in the period in which they arise.

The Fund measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding amount.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to expected credit losses. Gains and losses are recognised in the statement of comprehensive income when the asset is derecognised, modified or impaired. The Fund's financial assets at amortised cost includes amounts due from related parties, profit receivable and cash and cash equivalent balances.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund 's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

MANAZEL AL MAMLAKA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Saudi Riyal unless otherwise stated)

3. Basis of preparation and material accounting policies and estimates (continued)

Material accounting policies (continued)

Financial instruments – recognition, classification, measurement, derecognition and offsetting (continued)

Financial assets (continued)

Financial liabilities

(i) Initial recognition and initial measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. The Fund's financial liabilities consist of due to a related parties and accruals and other payables.

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

There were no financial instruments subject to offset as at 31 December 2024 and 2023.

Expected credit loss on financial assets at amortised cost

A financial asset at amortised cost is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL is measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as provision for expected credit losses in the statement of comprehensive income.

There were no expected credit losses recognized for the years ended 31 December 2024 and 2023.

MANAZEL AL MAMLAKA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Saudi Riyal unless otherwise stated)

3. Basis of preparation and material accounting policies and estimates (continued)

Material accounting policies (continued)

Wakala investment at fair value through profit or loss

Wakala investment is an Islamic Shariah compliant investment structure constituted by the Fund whereby the Fund ("Muwakkil") appoints an agent ("Wakil") and entrusts a specified sum of money to invest in a specified business activity. The profit or loss generated from the business activity is returned back to Muwakkil after deducting a specified sum of agency fee if any prescribed in the Wakala agreement.

Wakil is a special purpose entity incorporated to support and achieve the Fund's investment objective and the Muwakkil has residual interest in the assets of the Wakil after deducting all of its liabilities and hence the Wakala investment is assessed as an equity instrument.

The Wakala investment is classified as financial asset at fair value through profit or loss and is initially recognised at fair value and transaction costs are immediately expensed.

Subsequent to initial recognition, the Wakala investment is subsequently measured at fair value through profit or loss by recognizing gains or losses in the statement of comprehensive income.

Profit or loss generated on Wakala investment at fair value through profit or loss is recognised in the statement of comprehensive income.

Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions. Related parties include entities over which the Fund exercises significant influence, shareholders, directors, executive management of the Fund.

During the period, certain transactions have occurred with related parties on the same commercial basis and conditions as other non-related parties. Pricing policies and terms of these transactions are approved by the Fund's management.

Equity

Management shares and non-redeemable participating shares represents the portion of authorised Management shares and non-redeemable participating shares as per the Memorandum of Association of the Fund, which is fully paid up and are redeemable only at the time of winding up of the Fund, hence treated as equity. Share premium represents premium received on issue of non-redeemable participating shares.

Accumulated losses include all accumulated profits/losses of the Fund less any dividends.

Foreign currency transactions

Transactions in currencies other than SAR are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Fair value measurements

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, regardless of whether that price is directly observable or estimated using another valuation technique. When measuring fair value of an asset or liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

MANAZEL AL MAMLAKA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Saudi Riyal unless otherwise stated)

3. Basis of preparation and material accounting policies and estimates (continued)

Material accounting policies (continued)

Fair value measurements (continued)

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

As at 31 December 2024 and 2023, the Fund's financial instruments designated at fair value through profit or loss solely consists of Wakala investment at fair value through profit or loss.

Taxation

The Fund is domiciled in the Caymans Islands. Under the current laws of Cayman Islands, there is no income, estate, corporation, capital gains or other taxes payable by the Fund.

Transaction cost

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense in the statement of comprehensive income.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund. It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as provision. As at 31 December 2024 and 2023, there were no contingent liabilities.

Events after the reporting date

Post-year-end events that provide additional information about the Fund's financial position at reporting date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Critical accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Judgments

In the process of applying the Fund's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Functional and presentation currency

Determining the Fund's functional currency requires judgment based on the primary economic environment in which it operates. Management has assessed the relevant factors and concluded that the functional currency is Saudi Riyal (SAR), as it predominantly influences the Fund's transactions, cash flows and operating costs.

The financial statements are presented in SAR, which management considers most appropriate for users of the financial statements.

MANAZEL AL MAMLAKA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Saudi Riyal unless otherwise stated)

3. Basis of preparation and material accounting policies and estimates (continued)

Critical accounting judgments, estimates and assumptions (continued)

Judgment

Going concern and basis of preparation

In preparing the financial statements, management is required to assess the Fund's ability to continue as a going concern. At 31 December 2024, the Fund was operating in the ordinary course; however, on 28 July 2025 the Board of Directors of The First Investor Q.P.S.C., the Fund's manager, resolved to approve the orderly liquidation of the Fund together with its associated entities - Al Mejdaf Company L.L.C., Investate Arabia Company L.L.C., Manazel Compound Real Estate L.L.C. and Manazel Management Real Estate L.L.C. The Chief Executive Officer was authorized to execute all documents necessary to implement the liquidation, including the settlement of shareholder loans and Wakala financing, the execution of loan waivers and the distribution of liquidation proceeds. This authorization was confirmed in writing by the Board Secretary on 25 September 2025, prior to the date these financial statements were authorized for issue.

Management has concluded that it is no longer appropriate to prepare the financial statements on a going concern basis, as it intends to liquidate the Fund and there is no realistic alternative to liquidation. Accordingly, these financial statements have been prepared on a basis other than going concern.

In applying this basis, management has reassessed the carrying amounts of the Fund's assets and liabilities by reference to their expected realisation and settlement in the course of the liquidation. The principal effects of the change in basis are summarised below.

- Assets are stated at the lower of their carrying amount and the amount expected to be recovered through realisation in the liquidation;
- Liabilities reflect the amounts expected to be settled, including provisions for wind-up and liquidation costs where these can be reliably estimated;
- All assets and liabilities have been classified as current, as the Fund no longer has an unconditional right to defer settlement for more than twelve months from the reporting date; and
- The presentation currency, comparatives and accounting policies otherwise remain unchanged from those applied in prior periods, except where required by the change in basis.

The Board's resolution does not give rise to additional recognition or measurement adjustments as at 31 December 2024 beyond those described above, as the liquidation plan did not exist at the reporting date. The change from the going concern basis has, however, been applied to these financial statements because, although the decision to liquidate was taken after the reporting period, financial statements are not prepared on a going concern basis where management intends to liquidate the Fund.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The significant management estimates and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Expected credit loss on financial assets at amortised cost

Expected credit loss allowances for financial assets at amortised cost are based on assumptions about risk of default and expected loss rates. The Fund uses judgement in making these assumptions and selecting the inputs to the expected credit losses calculation, based on the Fund's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Due from related parties

Expected credit loss (ECL) on these due from related parties are measured at an allowance equal to 12-month ECL where the credit risk has not increased significantly since initial recognition, or lifetime ECL when the credit risk has increased significantly since initial recognition. In assessing whether the credit risk has increased significantly, the Fund takes into account quantitative and qualitative reasonable and supportable forward-looking information.

Management has assessed that no allowance for expected credit losses is required in respect of the related-party receivable balance. The counterparty is under common control and, accordingly, does not present significant credit risk. As confirmed in management's memorandum dated 30 September 2025, the related party balances have been fully settled, resulting in no outstanding amounts as of that date. Accordingly, management has determined that no further credit risk exposure or expected credit loss assessment is required in respect of these balances.

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3. Basis of preparation and material accounting policies and estimates (continued)

Critical accounting judgments, estimates and assumptions (continued)

Estimate (continued)

Cash and cash equivalents

Expected credit loss on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Fund considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. As at 31 December 2024 and 2023, there were no expected credit losses on cash and cash equivalents. The credit ratings of counterparties are disclosed in Note 11 to the financial statements, credit risk.

Wakala investment at fair value through profit or loss

The Wakala investment is measured at fair value through profit or loss using the adjusted net assets value method, by reference to the audited net equity of the underlying property holding companies (MCRE and MMRE) and the Fund's effective ownership share. The methodology is described in Note 4. Under the basis-other-than-going-concern adopted in these financial statements, management has assessed that the fair value so determined is not greater than the amount expected to be recovered through realisation of the investment in the course of the Fund's liquidation, and has therefore retained the fair value measurement as the carrying amount at the reporting date. The valuation is classified within Level 3 of the IFRS 13 fair value hierarchy and relies on unobservable inputs, principally the fair value of the underlying properties and the discount rate applied to the long-term Islamic financing in MCRE. Changes in these inputs could materially impact both the fair value measurement and the recoverable amount in liquidation.

4. Wakala investment at fair value through profit or loss

The Wakala investment represents the Fund's Shari'ah-compliant indirect investment in income-producing compounds in the Kingdom of Saudi Arabia, made through a Wakala agreement with Al Mejdaf Real Estate W.L.L., Qatar, dated 10 June 2014. The structure of the agreement is described below.

As part of the Wakala agreement, the Fund ("Principal-Muwakkil") appointed Al Mejdaf Real Estate W.L.L. ("Agent-Wakeel") to indirectly invest in income producing compounds in the Kingdom of Saudi Arabia through an agreement dated 10 June 2014. The Wakeel is committed to invest in these income producing compounds through equity or debts instruments in Manazel Compounds Real Estate L.L.C and Manazel Management Real Estate L.L.C. ("Property holding companies"), companies incorporated in the Kingdom of Saudi Arabia according to the terms and conditions of the Wakala agreement. As per the Wakala agreement, the profits or losses generated from the investment are returned to the Fund without deduction of agency fee since the Wakeel is a special purpose entity created for achieving Fund's investment objective. In accordance with the Wakala agreement, termination may occur upon the conclusion of all investments of the Wakala amount, upon written notice by either party or if the other party is in breach, or on a date mutually agreed upon by the parties in writing.

Determination of fair value of the Wakala investment

The fair value of the Wakala investment is determined using the adjusted net assets value method, based on the Fund's indirect share in the underlying asset-holding companies Manazel Compounds Real Estate L.L.C. (MCRE) and Manazel Management Real Estate L.L.C. (MMRE). MMRE disposed of its property to a third party in March 2022.

The Fund obtained the audited financial statements of these entities as of 31 December 2024, and combined their net equity or net assets value positions, with adjustments made only where required, specifically a fair value adjustment to the long-term Islamic financing in MCRE, calculated by discounting future contractual cash flows at the higher of prevailing benchmark rates or the facility's minimum floor rate. No fair value adjustments were required for investment properties, which are carried at fair value completed by an independent third party valuer, or for other short-term receivables and payables balances, as these approximate their carrying amounts. The resulting adjusted net equity was allocated based on Al Mejdaf Real Estate W.L.L.'s shareholding in the companies and further multiplied by the Fund's effective ownership percentage, resulting in the fair value of the Wakala investment recognised at year-end.

The fair value of Wakala investment might significantly change with any significant change to unobservable market inputs. The valuation was classified within level 3 fair value hierarchy. As at 31 December, the balance of Wakala investment at fair value through profit or loss is as follows:

	2024	2023
	SAR	SAR
As at 1 January	43,532,060	14,355,514
Changes in fair value	(3,858,347)	29,176,546
As at 31 December	39,673,713	43,532,060

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5. Profit receivable

Profit receivable as at 31 December 2024 amounted to nil (2023: SAR 1,717,790), as the Company did not hold any fixed or short-term deposits at the reporting date. Accordingly, no profit was accrued for the year ended 31 December 2024 (2023: SAR 1,717,790). In the comparative period, profit receivable represented profit earned but not received on short-term deposits amounting to SAR 51,500,000, which carried a profit rate of 5.80%. All of which was fully settled during the year ended 31 December 2024

6. Cash and cash equivalents

	2024 SAR	2023 SAR
Cash at bank	–	3,383,411
Short-term deposits (note i)	–	51,500,000
	–	54,883,411

(i) In addition to meeting the Funds own operational expenditure, the funds were primarily utilized in financing the operational requirements of Manazel Compounds Real Estate L.L.C. and Manazel Management Real Estate L.L.C., as well as to facilitate repayment of a long-term bank loan facility taken by Manazel Compounds Real Estate L.L.C.

Subsequent to the reporting date, the Fund completed the settlement of all related party receivable and payable balances with Al Mejdaf Real Estate W.L.L., Manazel Management Real Estate L.L.C., and Manazel Compounds Real Estate L.L.C and this has been further disclosed in Note 19 (v) to the financial statements, resulting in a nil cash balance.

7. Management Share

As at 31 December, the authorized and paid-up Management Share is as follows:

<u>Authorized</u>	<u>Units</u>	<u>Rate</u> <u>SAR</u>	2024 SAR	2023 SAR
Management Share (voting)	100	1.00	100	100

<u>Issued and paid up</u>	<u>Units</u>	<u>Rate</u> <u>SAR</u>	2024 SAR	2023 SAR
Management Share (voting)	1	1.00	1	1

Management Shares mean the voting share in the Fund held by the Investment Manager of the Fund. The holder of Management Shares (in respect of such Management Share) has the right to receive notice of, attend at and vote as a member at any general meeting of the Fund.

Management Shares also confer upon the holder the right in a winding-up to repayment of capital as provided in these Articles of Association of the Fund but confer no other right to participate in the profits or assets of the Fund and no dividends shall be payable on the Management Shares.

8. Non-redeemable participating shares

As at 31 December 2024 and 2023, the authorised and paid up non-redeemable participating shares are as follows:

<u>Authorised</u>	<u>Units</u>	<u>Rate</u> <u>SAR</u>	2024 SAR	2023 SAR
Non-redeemable participating shares (non-voting)	18,490,000	0.01	184,900	184,900

<u>Issued and paid up</u>	<u>Units</u>	<u>Rate</u> <u>SAR</u>	2024 SAR	2023 SAR
Non-redeemable participating shares (non-voting)	1,674,338	0.01	16,743	16,743

Non-redeemable participating shares means the non-voting participating shares held by the investors of the Fund. The holder of a non-redeemable participating share does not have the right to receive notice of, attend at or vote as a member at any general meeting of the Fund and are non-redeemable at the option of the holder.

Non-redeemable participating shares confer upon the holders the right in a winding up to participate in the surplus assets of the Fund and also right to receive dividends subject to restrictions set out in the Articles of Association of the Fund.

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9. Share premium

Share premium represents the excess amount received over the par value of non-redeemable participating shares, issued at SAR 100 per unit. Of this, SAR 0.01 per unit (totalling SAR 16,743 for 1,674,338 units) was allocated to share capital as non-redeemable participating shares (*Note 8*), with the remaining SAR 99.99 per unit (totalling SAR 163,938,059) recorded as share premium. In accordance with the Companies Act, the Board of Directors may declare dividends out of the share premium balance. As at 31 December 2024 and 2023, the share premium balance remained at SAR 163,938,059.

The share premium is included within the net assets attributable to holders of non-redeemable participating shares.

10. Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. All the related parties except Investment Manager are part of the Fund structure as set out in the Information memorandum to achieve the Fund's investment objective.

The details of the transactions and the balances with such related parties during the year are as follows:

a) Related party transactions

<u>Name of related parties</u>	<u>Nature of relationship</u>	<u>Transactions</u>	2024 SAR	2023 SAR
Manazel Compounds Estate L.L.C.	Real	Operational expenses of a related party paid by the Fund (i)	37,874,518	506,911
Manazel Compounds Estate L.L.C.	Real	Under common control of the related party (ii)	18,863,016	32,794,863
Manazel Management Estate L.L.C.	Real	investment manager Fund transfer to related party	–	1,350,000
Manazel Management Estate L.L.C.	Real	Operational expenses of a related party paid by the Fund	669,434	15,000

i) During the year ended 31 December 2024, the Funds made nine payments to the General Authority of Zakat and Tax on behalf of MCRE amounting to SAR 17,760,225

ii) During the year ended 31 December 2024, the Fund made three fund transfers to Manazel Compounds Real Estate L.L.C. amounting to SAR 8,358,825, SAR 8,450,680 and SAR 160 (2023: fund transfers amounted to SAR 15,594,992, SAR 8,800,000 and SAR 8,580,000) to facilitate repayment of long-term bank loan facility taken by the related party.

As of 31 December 2024, the carrying amount of the loan balance in the related party books totalled SAR 172,416,319 (2023: SAR 172,416,319), with non-current portion amounting to SAR 150,000,000 (2023: SAR 153,000,000) and current portion amounting to SAR 22,416,319 (2023: SAR 19,416,319), with a contractual maturity date of November 2029. However, as described in Note 19 (iv) to the financial statements, the outstanding long-term financing facility was fully settled in May 2025.

b) Management shares

	Number of shares	Nature of relationship	2024 SAR	2023 SAR
The First Investor Q.P.S.C.	1	<i>Investment Manager</i>	1	1

c) Due from related party

	Nature of relationship	2024 SAR	2023 SAR
Al Mejdaf Real Estate W.L.L.	<i>Under common control of the investment manager</i>	–	22,659,551
		–	22,659,551

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10. Related party disclosures (continued)

d) Due to related parties

	<i>Nature of relationship</i>	2024 SAR	2023 SAR
Manazel Management Real Estate L.L.C.	<i>Under common control of</i>	–	1,222,273
Manazel Compounds Real Estate L.L.C.	<i>the investment manager</i>	1,189,000	78,584,115
		1,189,000	79,806,388

e) Nature of related party transactions

The related parties are part of the Fund's investment structure. Due to the banking difficulties being experienced by these related parties in the Kingdom of Saudi Arabia, the Fund has been paying operational expenses of these related parties through Fund's bank accounts directly to the suppliers of the related parties. The expenses (of related parties) are mostly of recurring in nature such as VAT filing fees, security fees for compounds, legal services fee, audit fees and property valuation fees. Likewise, due to banking difficulties being experienced initially by Manazel Compounds Real Estate L.L.C., rental receipts of the former were received in the bank account of the Fund instead of its own accounts in Kingdom of Saudi Arabia, which is essentially the payable for the Fund.

The balances accumulated as a result of this setup are neither realizable on demand nor carries any interest and are payable or receivable when the Fund realises its Wakala investment at fair value through profit or loss.

During the year ended 31 December 2024, management formally approved and implemented the set-off of outstanding related party balances among MMRE, MCRE, MAM and Al Mejdaf Real Estate. Following the set-off, a net payable of QR 1,189,000 to MCRE remained outstanding as at 31 December 2024. In addition, the residual cash balances held in the Fund's bank accounts were transferred to MCRE during the year.

Subsequent to the reporting date, the Fund completed the settlement of all related party receivable and payable balances with Al Mejdaf Real Estate W.L.L., Manazel Management Real Estate L.L.C., and Manazel Compounds Real Estate L.L.C and this has been further disclosed in Note 19 (v) to the financial statements.

11. Financial risk and capital management

Financial risk factors

The Fund's financial instruments are Wakala investment at fair value through profit or loss, cash and cash equivalents, due from related parties, due to a related party and accruals and other payables.

The Fund's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Fund's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks.

The identified key risks are set out below:

a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Fund.

Cash in bank

Credit risk from banks and financial institutions is managed in accordance with the Fund's policy. The Fund's bank accounts are placed only with high credit quality financial institutions. Investments to any financial instruments are made only with approved parties/financial institutions and within the limits established by the management. The limits are set to minimise the concentration of risks and mitigate financial loss. As at 31 December 2024, the Fund's financial institution is rated "P-1" by Moody's for short term counterparty risk, P-1 being Prime-1; reflecting the counter party's superior ability to repay short term obligations (2023: "P-1").

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11. Financial risk and capital management (continued)

Financial risk factors (continued)

a) Credit risk (continued)

Due from related parties

Management has assessed that no allowance for expected credit losses is required in respect of the related-party receivable balance. The counterparty is under common control and, accordingly, does not present significant credit risk. As confirmed in management's memorandum dated 30 September 2025, the related party balances have been fully settled, resulting in no outstanding amounts as of that date. Accordingly, management has determined that no further credit risk exposure or expected credit loss assessment is required in respect of these balances.

The Fund's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

2024	12 month or lifetime ECL	Gross carrying amount SAR	Loss Allowance SAR	Net carrying amount SAR
Due from related party	Lifetime ECL	–	–	–
Cash in banks	12-month ECL	–	–	–
		–	–	–
<hr/>				
2023				
Due from related party	Lifetime ECL	22,659,551	–	22,659,551
Cash in banks	12-month ECL	54,883,411	–	54,883,411
		77,542,962	–	77,542,962

b) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The table below summarises the maturities of the Fund's undiscounted financial liabilities at 31 December based on contractual payment dates.

2024	Less than 12 months SAR	More than 12 months SAR	Total SAR
<i>Financial assets</i>			
Wakala investment at fair value through profit or loss	–	39,673,713	39,673,713
Due from related party	–	–	–
Profit receivable	–	–	–
Cash and cash equivalents	–	–	–
<i>Financial liabilities</i>			
Due to related parties	(1,189,000)	–	(1,189,000)
Accruals and other payables	(257,992)	–	(257,992)
<i>Net assets attributable to non-redeemable participating shares</i>	–	(38,226,721)	(38,226,721)
Liquidity gap	(1,446,992)	1,446,992	–

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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11. Financial risk and capital management (continued)

Financial risk factors (continued)

b) Liquidity risk (continued)

2023

Financial assets

Wakala investment at fair value through profit or loss	–	43,532,060	43,532,060
Due from related party	–	22,659,551	22,659,551
Profit receivable	1,717,790	–	1,717,790
Cash and cash equivalents	54,883,411	–	54,883,411

Financial liabilities

Due to related parties		(79,806,388)	(79,806,388)
Accruals and other payables	(189,937)	–	(189,937)

Net assets attributable to non-redeemable participating shares – (42,796,487) (42,796,487)

Liquidity gap 56,411,264 (56,411,264) –

c) Foreign currency risk

Foreign currency risk is the risk that arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Fund manages its foreign currency risk by regularly assessing current and expected foreign currency exchange rate movements. Majority of the Fund's foreign currency transactions are in Qatari Riyals ("QAR") and United States Dollars ("USD"), which are constant against Saudi Riyal, and accordingly, management believes that there is minimal risk of significant losses. In accordance with the Fund's policy, the Investment Manager monitors the Fund's monetary and non-monetary foreign exchange exposure on a quarterly basis, and the Directors review it on a quarterly basis. As at 31 December 2024 and 2023, the Fund's foreign exchange exposure is limited to its monetary assets which consist of short-term deposits and call deposits in QAR and USD.

The table below summarises the Fund's monetary assets, which are denominated in a currency other than the SAR.

	As at 31 December 2024		As at 31 December 2023	
	QAR	USD	QAR	USD
Monetary assets				
Short term deposits	–	–	50,000,000	–
Call deposits	–	–	3,275,981	2,368

The table below summarises the sensitivity of the Fund's monetary assets to changes in foreign exchange movements at 31 December. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by the percentage disclosed in the table below, with all other variables held constant. Since QAR and USD are pegged to the SAR, actual volatility is expected to be minimal.

Currency	Shift in rate 2024	Movement in value 2024	Shift in rate 2023	Movement in value 2023
QAR-denominated monetary assets	+/-1%	+/-532,760	+/-1%	+/-532,760
USD-denominated monetary assets	+/-1%	+/-24	+/-1%	+/-24

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11. Financial risk and capital management (continued)

Financial risk factors (continued)

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, profit rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Price risk

The Fund is exposed to equity instruments price risk. This arises solely from Wakala investment held by the Fund for which prices in the future are uncertain. The Fund's policy requires that the overall market position is monitored on a quarterly basis by the Fund's Investment Manager and is reviewed on a quarterly basis by the Board of Directors. Compliance with the Fund's investment policies are reported to the Board on a quarterly basis.

As at 31 December 2024 and 2023, the fair value of equity instruments exposed to price risk is as follows:

	2024	2023
	SAR	SAR
Wakala investment at fair value through profit or loss	39,673,713	43,532,060

Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. This arises from short term deposits held by the Fund. The Fund adopts a policy of ensuring that profit rates on short term deposits exposures are reviewed monthly. The Company is not exposed to profit rate risk as it deposits funds at fixed interest rates

d) Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

The Fund sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023. Equity comprises Management share, non-redeemable participating shares, share premium and accumulated losses, and is measured at SAR 38,226,721 as at 31 December 2024 (2023: SAR 42,796,487).

The Fund is not subject to externally-imposed capital requirements.

12. Financial instruments

Financial instruments consist of financial assets and financial liabilities.

Financial assets:

The Fund's principal financial assets include Wakala investment at fair value through profit or loss, due from a related party, profit receivables and cash and cash equivalents.

Financial liabilities:

The Fund's significant financial liabilities consist of due to related parties and accruals and other payables. Accounting policies for key items of financial assets and liabilities are set out in Note 3.

Net assets attributable to holders of non-redeemable participating shares are carried at redemption value. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties on an arm's length basis. Since the financial statements have been prepared under the historical cost convention, the carrying values of the Fund's financial instruments as recorded could therefore be different from their fair values. However, in the opinion of the management, fair values of the financial assets and liabilities are not considered significantly different from their book values as most of these items are short-term in nature or repriced frequently.

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12. Financial instruments (Continued)

Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of Wakala investment at fair value through profit or loss by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2024 and 2023, the Fund held following financial instruments measured at fair value:

2024	Fair value SAR	Level 1 SAR	Level 2 SAR	Level 3 SAR
Wakala investment at fair value through profit or loss	38,226,721	–	–	38,226,721
2023				
Wakala investment at fair value through profit or loss	43,532,060	–	–	43,532,060

The movements in the fair value of the Wakala investment classified within Level 3 of the fair value hierarchy are as follows:

	2024 SAR	2023 SAR
As at 1 January	43,532,060	14,355,514
Unrealized (losses)/gains recognised during the year	(3,858,347)	29,176,546
Transfers in/out of Level 3	–	–
As at 31 December	38,226,721	43,532,060

The fair value of Wakala investment at fair value through profit or loss is determined by reference to the net equity of the Property holding companies in the Kingdom of Saudi Arabia in proportion to the Fund's interest in those Property holding companies.

Description of valuation techniques and key inputs to valuation of investment in underlying residential compound properties at fair value through profit or loss

In determining fair valuation of the net equity of the Underlying asset holding companies, the management has engaged an independent fair valuation specialist for fair valuing the income producing compound assets which accounts 73% of the total combined assets of these Underlying asset holding companies. The valuation was mainly determined using the market comparable approach and discounted cash flow method in accordance with Royal Institution of Chartered Surveyors (RICS) valuation standards, adopting the IFRS Accounting Standards basis of fair value and using the established principles and valuation techniques. While for other assets which are valued at amortised cost, management has assessed that the amortized cost value is approximately equal to the fair value considering their short nature and absence of any significant financing components.

And for the liabilities of the Underlying asset holding companies, management has fair valued the bank loan which accounts 93% of the total combined liabilities of these Underlying asset holding companies with reference to the SAIBOR (Saudi Arabian Inter Bank Offered Rate) benchmark subject to floor rates of the bank while for other liabilities which are valued at amortised cost, management has assessed that the amortized cost value is approximately equals to the fair value considering their short nature and absence of any significant financing components.

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12. Financial instruments (continued)

2024			
<i>Type of underlying asset</i>	<i>Valuation technique</i>	<i>Key inputs</i>	<i>Range (weighted average)</i>
Residential compound	Income approach	Rent per square metre	SAR 673 for villas and SAR 843 for apartments
		Rent growth rate	2.50%
		Discount rate	6.50%
Bank loan	Market comparable approach	SAIBOR benchmark subject to floor rate	6.32% 9.82%
2023			
<i>Type of underlying asset</i>	<i>Valuation technique</i>	<i>Key inputs</i>	<i>Range (weighted average)</i>
Residential compound	Income approach	Rent per square metre	SAR 673 for villas and SAR 843 for apartments
		Rent growth rate	2.50%
		Discount rate	6.50%
Bank loan	Market comparable approach	SAIBOR benchmark subject to floor rate	6.32% 9.82%

The fair value of Wakala investment at fair value through profit or loss is SAR 39,673,713 (2023: SAR 43,532,060).

Market comparable approach

This approach involves a comparison of the subject property to similar properties that have actually been sold in arms' length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. Generally, the opinion on value is based on evidence of open market transactions in similar property with adjustments of the comparable to differentiate the differences between the subject property and the comparable.

Income approach

Income approach is a valuation method appraisers and real estate investors use to estimate the value of income producing properties. It is based upon the premise of anticipation i.e., the expectation of future benefits. The most commonly used technique for assessing market value within the income approach is Discounted Cash Flow Method (DCF). Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

13. Comparative figures

Certain comparative amounts and related notes to the financial statements have been reclassified to conform to the current period's presentation. Management believes that reclassification resulted to a better presentation of accounts and did not have any impact on prior year's net loss.

14. Bank loans and other borrowings

The Fund had no bank loans or other borrowings as at 31 December 2024 and 2023.

15. Security lending arrangements

As at 31 December 2024 and 2023, the Fund did not enter into any security lending arrangements.

16. Negotiability of assets

As at 31 December 2024 and 2023, there was no statutory or contractual requirements restricting the negotiability of the assets of the Fund.

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17. Commitments

There were no subscriptions and redemptions pending at the years ended 31 December 2024 and 2023. No material provisions, contingencies and commitments are considered. There were no subscriptions or redemptions of non-redeemable participating shares during the years ended 31 December 2024 and 2023.

18. Contingent liabilities

The Fund had no material contingent liabilities as at 31 December 2024 and 2023.

19. Events after the reporting period

- i) On 19 May 2025, Manazel Compounds Real Estate L.L.C. entered into a sale agreement with an external party for the disposal of the Radium Compound, a key underlying asset of the Fund, for a consideration of SAR 270,000,000. Following the sale, on 21 May 2025, the outstanding long-term financing facility associated with the asset was fully settled by MCRE for SAR 178,051,323. As both the sale and settlement occurred after the reporting period and do not reflect conditions that existed at 31 December 2024, no adjustments have been made to the financial statements for the year then ended. These events will be considered in the subsequent reporting periods.
- ii) Subsequent to the reporting date, the Fund completed the offset and settlement of all related party receivable and payable balances with Al Mejdaf Real Estate W.L.L., Manazel Management Real Estate L.L.C., and Manazel Compounds Real Estate L.L.C.
- iii) The Wakala investment of SAR 39,673,713 (Note 4) remains outstanding as at the date of authorisation of these financial statements. The underlying assets are predominantly held in cash and are in the process of being realised under the approved liquidation plan, with settlement expected by Q3 2026. The carrying amount represents management's best estimate of the recoverable amount at the reporting date, determined by reference to the liquidator's report and the underlying composition of the Wakala pool. The principal source of estimation uncertainty relates to the recoverability of receivables within the pool. Any difference between the carrying amount and the amount ultimately realised will be recognised in profit or loss in the period of realisation.

As confirmed in management's memorandum dated 30 September 2025, the related party receivable balances have been fully settled, resulting in no outstanding amounts as of that date. Accordingly, management has determined that no further credit risk exposure or expected credit loss assessment is required in respect of these balances.

- iv) On July 28, 2025, the Board of Directors of the Fund resolved to approve the orderly liquidation of the Fund. The resolution also encompassed the dissolution of certain subsidiaries and affiliated entities, including Al Mejdaf Real Estate W.L.L., Investate Arabia Company L.L.C., Manazel Compound Real Estate L.L.C., and Manazel Management Real Estate L.L.C.

Following this resolution, on 25 September 2025, the Board further authorized the Chief Executive Officer of TFI to implement and oversee the liquidation process. This authorization empowered the CEO to:

- initiate the formal liquidation procedures of the Fund and its related entities;
- sign and execute all necessary agreements and documentation in connection with the liquidation;
- negotiate and conclude arrangements related to the settlement and repayment of shareholder loans and wakala financing;
- execute loan waivers and authorize dividend distributions to investors; and
- appoint representatives to act on behalf of the Fund in respect of liquidation-related matters.

The Board also resolved to release and discharge all previously authorized signatories and representatives from any liability connected with the Fund, Al Mejdaf Company L.L.C., and Investate Arabia Company L.L.C. for all prior periods.

The Board's resolution to liquidate the Fund and its associated entities, and the authorizations granted to the Chief Executive Officer, were made after the reporting date of 31 December 2024. Although the liquidation plan did not exist at that date, paragraph 14 of IAS 10 Events After the Reporting Period requires that an entity not prepare its financial statements on a going concern basis where, after the reporting period, management either intends to liquidate the Fund or to cease trading, or has no realistic alternative but to do so. Accordingly, as set out in Note 3, these financial statements have been prepared on a basis other than going concern. The principal effects of the change in basis on the recognition, measurement and classification of assets and liabilities are described in Note 3. The other matters disclosed in this note represent non-adjusting events; they have not given rise to adjustments to the recognised amounts in these financial statements but have been disclosed because of their significance to users.

MANAZEL AL MAMLAKA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Saudi Riyal unless otherwise stated)

19. Events after the reporting period (continued)

Subsequent to the reporting date, the Board authorised a distribution to unitholders of SAR 38,777,752. The distribution was executed during 2025 and as at the date of authorisation of these financial statements, SAR 24,720,922 had been settled to unitholders whose KYC documentation was complete, with the residual SAR 14,056,830 remaining unpaid pending completion of KYC requirements by the relevant unitholders.

20. Approval of financial statements

These financial statements for the year ended 31 December 2024 were approved and authorised for issuance by the Directors of the Fund on behalf of the shareholders on 21 May 2026.