



جدوى ريت الحرمين
Jadwa REIT Al Haramain

ANNUAL REPORT **2025**



جدوى للاستثمار
Jadwa Investment



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



His Majesty

King Salman Bin Abdulaziz Al Saud
Custodian Of The Two Holy Mosques



His Royal Highness Prince

Mohammed Bin Salman Bin Abdulaziz Al Saud
Crown Prince

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Fund Manager's Message To Unit Holders

Dear valued unit holders,

We are pleased to present the annual report of the Jadwa REIT Al Haramain Fund for the year 2025 and would like to thank you for your continuous support and trust in the Fund.

The Saudi economy maintained its upward trajectory in 2025, with GDP growing at 4.5%. Oil GDP grew by 5.6% and non-oil GDP grew by approximately 4.9%. Importantly, it is the continued strength of the non oil sector that remains the primary driver of the Kingdom's economic diversification under Vision 2030. Of this non-oil sector, the Makkah real estate market continues to be strongly supported by the Kingdom's long term commitment to expanding religious tourism. In 2025, 1.67 million pilgrims performed the Hajj while in Q12025, more than 15.2 million pilgrims performed Umrah, including 6.52 million international visitors. This sustained and accelerating growth reflects the impact of major Vision 2030 initiatives aimed at improving capacity and elevating the overall pilgrim experience. Large scale redevelopment projects around the Holy Mosque, enhancements to mobility infrastructure, the expansion of the Haramain High Speed Train and continued public infrastructure upgrades are driving long term demand for hospitality, retail and mixed use assets across Makkah. Madinah is also emerging as an increasingly attractive destination for real estate investment, supported by strong economic momentum and a rapidly expanding tourism ecosystem. Real estate activity in the city continues to grow, driven by heightened investment in hotel developments, mixed use projects and the rehabilitation of older assets near the Prophet's Mosque.

2025 represented a significant transition period for REITs globally. For much of the past three years, the sector has faced a "valuation squeeze" driven by the highest interest rates seen in decades. Elevated rates impacted REITs in two primary ways. First, this increased the cost of debt, which directly reduced the distributable cash flow available to unitholders. Second, high-interest environments made "risk-free" assets like government bonds more attractive, leading to a rotation of capital away from REITs.

The prolonged "higher for longer" rate environment also influenced real estate valuation dynamics. As borrowing costs rose, investors demanded higher capitalization rates, which typically place downward pressure on property values. Alongside slower transaction activity and evolving return expectations, these factors shaped a more cautious investment climate across both domestic and international REIT markets.

In 2025, the Saudi REIT sector declined by 7.92%. While this appears negative in isolation, the REIT sector notably outperformed the broader Saudi market, as represented by the Tadawul All-Share Index (TASI), which fell by 12.84% during the same period. The total return for the REIT sector was -1.68% compared to TASI's total return of -9.83% during this period. This outperformance of the REIT sector was

largely driven by the defensive nature of REIT assets, which provide stable, contract-backed rental income that acts as a buffer during periods of high equity market volatility. Furthermore, investor anticipation of a peaking interest rate cycle in late 2025 led to a valuation floor for real estate assets earlier than for other cyclical sectors in the TASI.

The REIT fund's unit price saw a decline of approximately 16.81% in 2025, declining from SAR 5.95 at the end of 2024 to a closing price of SAR 4.95 on 31 December 2025. This decline in unit price was largely reflective of broader pressures across the Saudi REIT sector, which continued to face a challenging high-interest-rate environment for much of the year. On a total return basis, the REIT was down -13.07%. Additionally, despite improving occupancy levels in Makkah's hospitality market, the unit price was further impacted by the general volatility in TASI and the cautious market sentiment toward real estate valuations during a period of monetary transition.

Jadwa REIT Al Haramain Fund has a portfolio of four quality assets across hospitality (96%) and retail (4%) sectors in Makkah. The Fund successfully maintained its commitment to unitholders, declaring total dividends of SAR 0.30 per unit for the year, totalling SAR 19.8 million in cash distributions as the Fund's overall occupancy level continued to improve significantly across its assets. The hotel operations of the two biggest assets in the fund are being managed by an experienced operator who successfully managed to ramp up occupancy levels and sustain these high levels, resulting in solid revenue streams with further expected improvements in profitability.

The Fund's portfolio of four underlying properties in Makkah continues to perform well, with occupancy levels and revenue streams increasing. The hotel operations of the two biggest assets in the fund are being managed by an experienced operator, who has successfully managed to ramp up occupancy levels and achieve good revenue streams. The occupancy rate for Worth Elite increased to over 87% while Al Andalosiya Hotel also saw an average occupancy rate of over 85%.

At Jadwa, we remain focused on capturing the growing opportunities within Makkah's real estate market and its evolving, tourism driven economy to deliver sustained value for our unitholders. Supported by its available credit facilities and conservative leverage profile, the Jadwa REIT Al Haramain Fund is well positioned to deploy additional capital and pursue strategic acquisitions of high quality, income generating assets that enhance long term portfolio performance. We look forward to building on this momentum through continued discipline, collaboration and alignment broader dynamics of the real estate sector.



Section 1

**REIT AT
A GLANCE**

REIT At A Glance



Financial Performance

Portfolio Characteristics

	2023	2024	2025
Number of properties	4	4	4
Sector	Hospitality Retail	Hospitality Retail	Hospitality Retail
Total Land area (sq. meter)	3,227	3,227	3,227
Total BUA	40,690	55,944	55,944
Portfolio Occupancy	54.0%	75%	74%
Number of Tenants	9	13	10
WAULT	0	0.71	0.67
Fair Market Value	659,173,839	664,111,114	680,131,976

Fund's Performance

	2023	2024	2025
Net Asset Value (cost)	504,508,428	500,285,784	515,223,717
Net Asset Value (Fair value)	504,508,428	500,285,784	518,773,335
Fair Value NAV per unit	7.64	7.58	7.86
Highest Fair Value NAV per unit	7.72	7.75	7.89
Lowest Fair Value NAV per unit	7.49	7.46	7.65
Number of issued unit	66,000,000	66,000,000	66,000,000
Distributed dividends Per unit	0.13	0.20	0.30
Expense Ratio	1.06%	1.15%	1.15%
Annual return	2.91%	1.18%	7.65%
Unearned revenue to revenue	1.94%	0.99%	2.19%
Non cash expenses to net income	86.6%	63.79%	38.28%
LTV	29.80%	29.71%	29.06%
Loan Maturity Date	Sep-13-2027		
Loan Exposure Period	1 years		

Fund's Returns Profile

2018	2019	2020	2021	2022	2023	2024	2025
5.25%	3.59%	-11.31%	-7.52%	-14.69%	2.91%	1.18%	7.65%
1-Year return		3-Years return		Return Since Inception			
7.65%		12.45%		-0.90%			

Annual Fund Expenses

	2025
Management Fee	3,890,801
Property management fee	2,439,306
Registrar Fees	400,000
Listing Fees	120,996
Professional fee	657,573
Administrator Fee	129,242
Custodian Fee	89,777
Property valuation fee	113,600
Insurance	96,736
Legal fee	47,025
Independent board member fee	20,000
Hotel operations expenses	122,700
Other Fund Fees	360,887
Total Expenses	8,488,643
percentage of fund expenses to the fund's total assets value	1.15%

Percentage of each property rent to the total Fund's rent

	2023	2024	2025
Al Andalusiya	60%	47%	45%
Al Taqwa	25%	19%	18%
Worth Elite Hotel	12%	28%	33%
Retail	3%	6%	4%

Annual Fund Performance Comparison*

Jadwa REIT Al Haramain Fund	Tadawul All Share Index	Tadawul REITS Index
-13.07%	- 9.83 %	-1.68%

* The annual return for the Fund is calculated based on the capital gain from the changes in the unit trading price plus dividends yield
Source : Bloomberg

Special Commission

No special commission has been received by the Fund manager during 2025



Section 2

**PORTFOLIO
DESCRIPTION**

Portfolio Description

Fund's Assets

The Fund's assets consists of 4 properties and units in private real estate investment fund. The assets are:

1. Al Andalseya Hotel
2. Al Taqwa Hotel
3. Worth Elite Hotel
4. Retail Building
5. Units in Real Estate Investment Fund

Targeted Assets by the Fund Manager

Currently there are no active transactions, however the fund manager is constantly screening for new investments

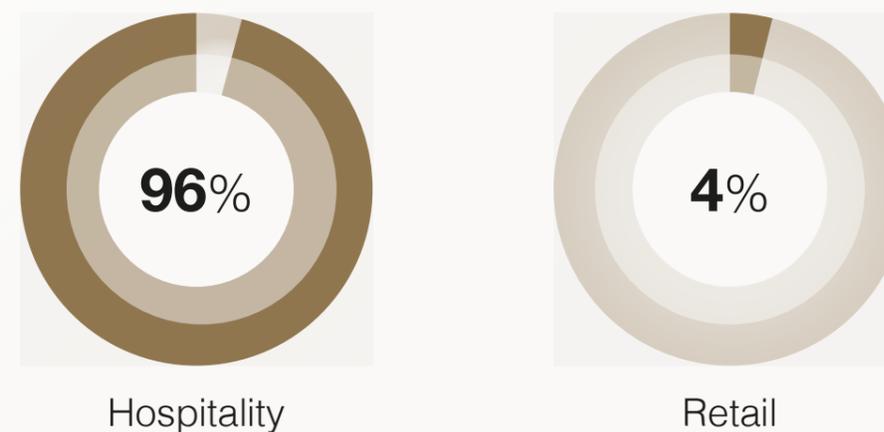
Portfolio Occupancy as of December 31 2025 *

74% | Percentage of leased assets to the total portfolio of income generating assets

26% | Percentage of unleased assets to the total portfolio of income generating assets

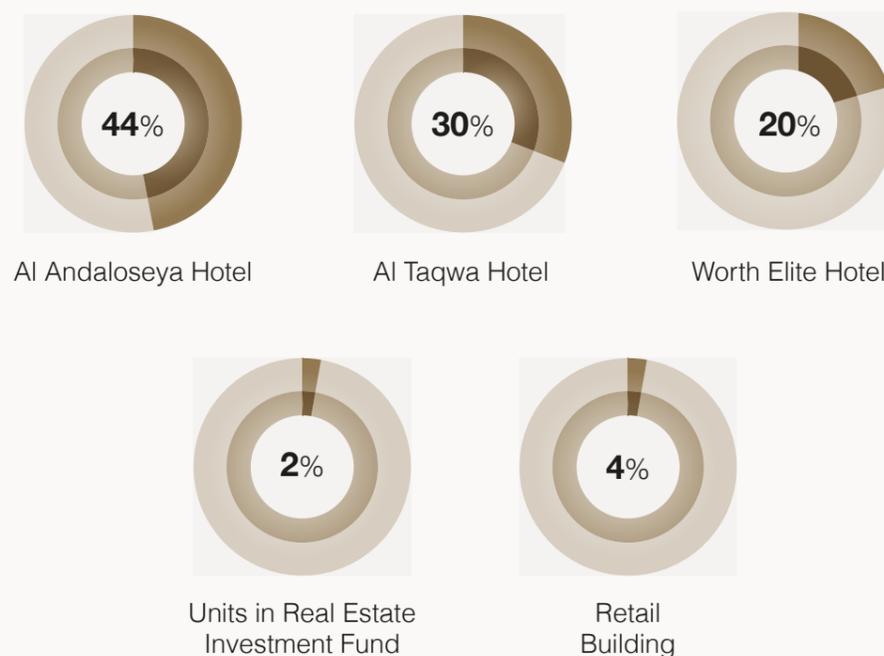
* The portfolio occupancy only includes the direct investment in real estate income generating assets

Portfolio Allocation by Sector



*The portfolio allocation by sector only includes the direct investment in real estate income generating assets

Portfolio Allocation by Asset

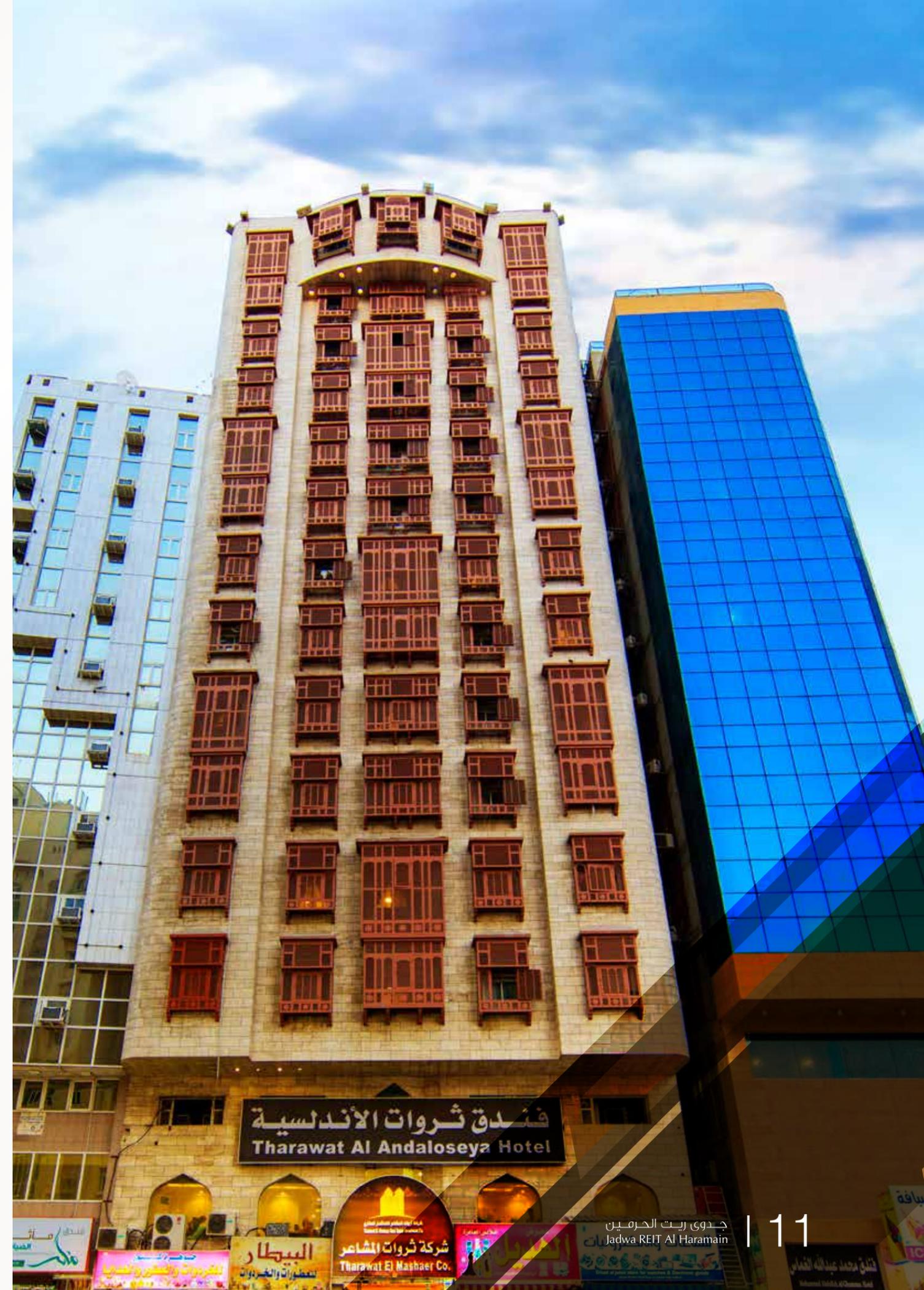


Al Andalosiya Hotel

- The property is currently utilized as a four-star hotel, under the brand of Al Andaloseya Hotel'.
- 294 rooms to accommodate visitors to Makkah's holy sites throughout the year. Located within 500 meters of the Masjid Al-Haram.
- The property consists of a basement, ground level, mezzanine floor, service level, 12 upper levels and a roof.
- The ground level is internally configured to accommodate ten shops.

Location	Al Andalosiya Hotel Makkah, Al Mesfalah District
Acquisition Price	379,000,000
Net Acquisition Yield	6.7%
Number of tenants	6
Fair Value Estimation*	304,474,689
Occupancy Rate	85%
Remaining Lease Term	N/A
% of Total Fund Portfolio	44%

*as of 31st Dec 2025

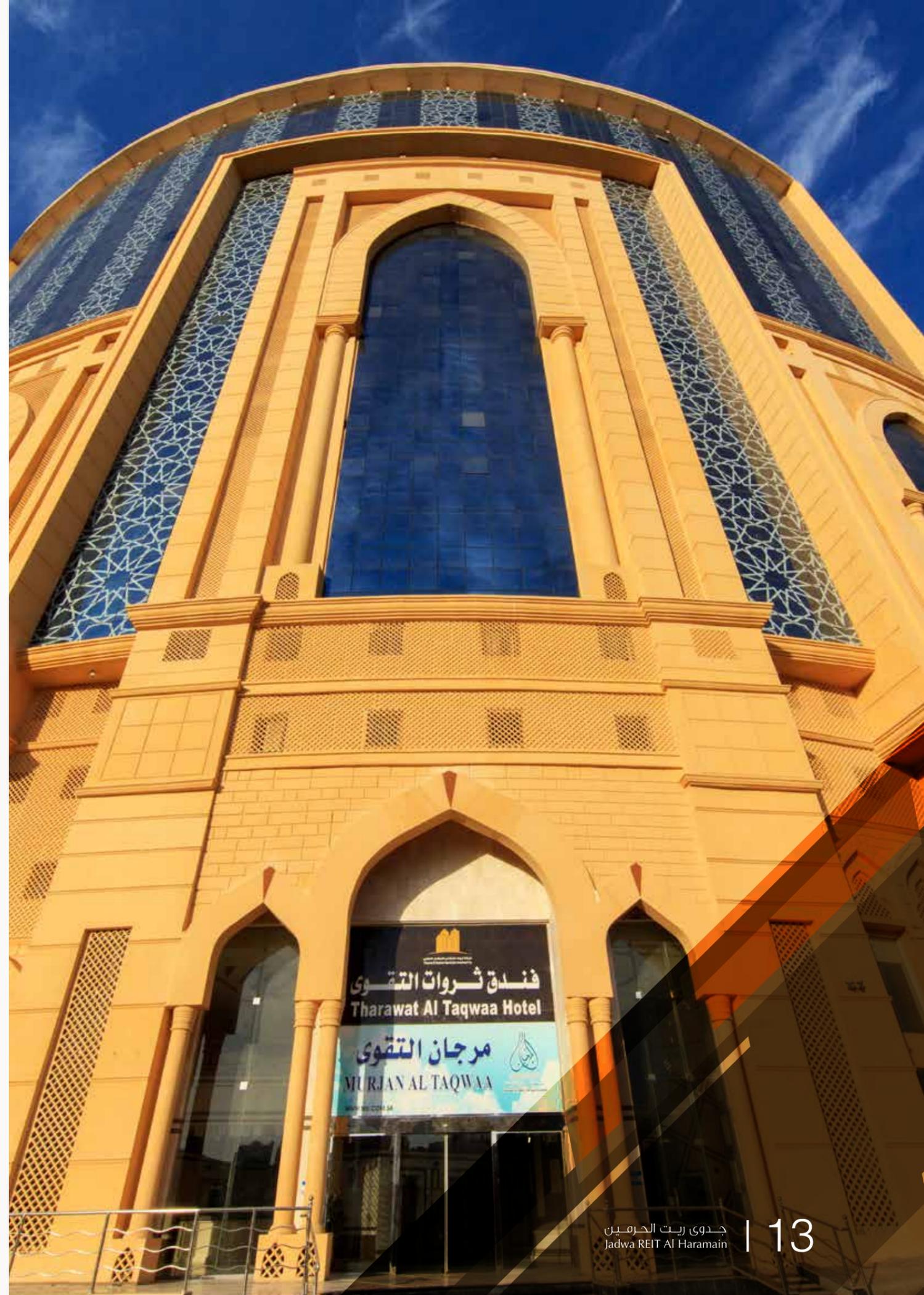


Al Taqwa Hotel

- The property is currently utilized for the accommodation of Hajj and Umrah visitors, under the brand of Al Taqwa Hotel.
- 690 rooms to accommodate visitors to Makkah's holy sites during the Hajj season and month of Ramadan. Located approximately 900 meters from Mina, the hotel can host 3,506 pilgrims.
- The property is arranged over three basement levels, a ground floor, mezzanine level, service level, restaurant level, 14 upper levels and a roof.

Location	Al Taqwa Hotel Makkah, Al Shishah District
Acquisition Price	250,000,000
Net Acquisition Yield	6.8%
Number of tenants	1
Fair Value Estimation*	207,848,566
Occupancy Rate	23%
Remaining Lease Term	N/A
% of Total Fund Portfolio	30%

*as of 31st Dec 2025

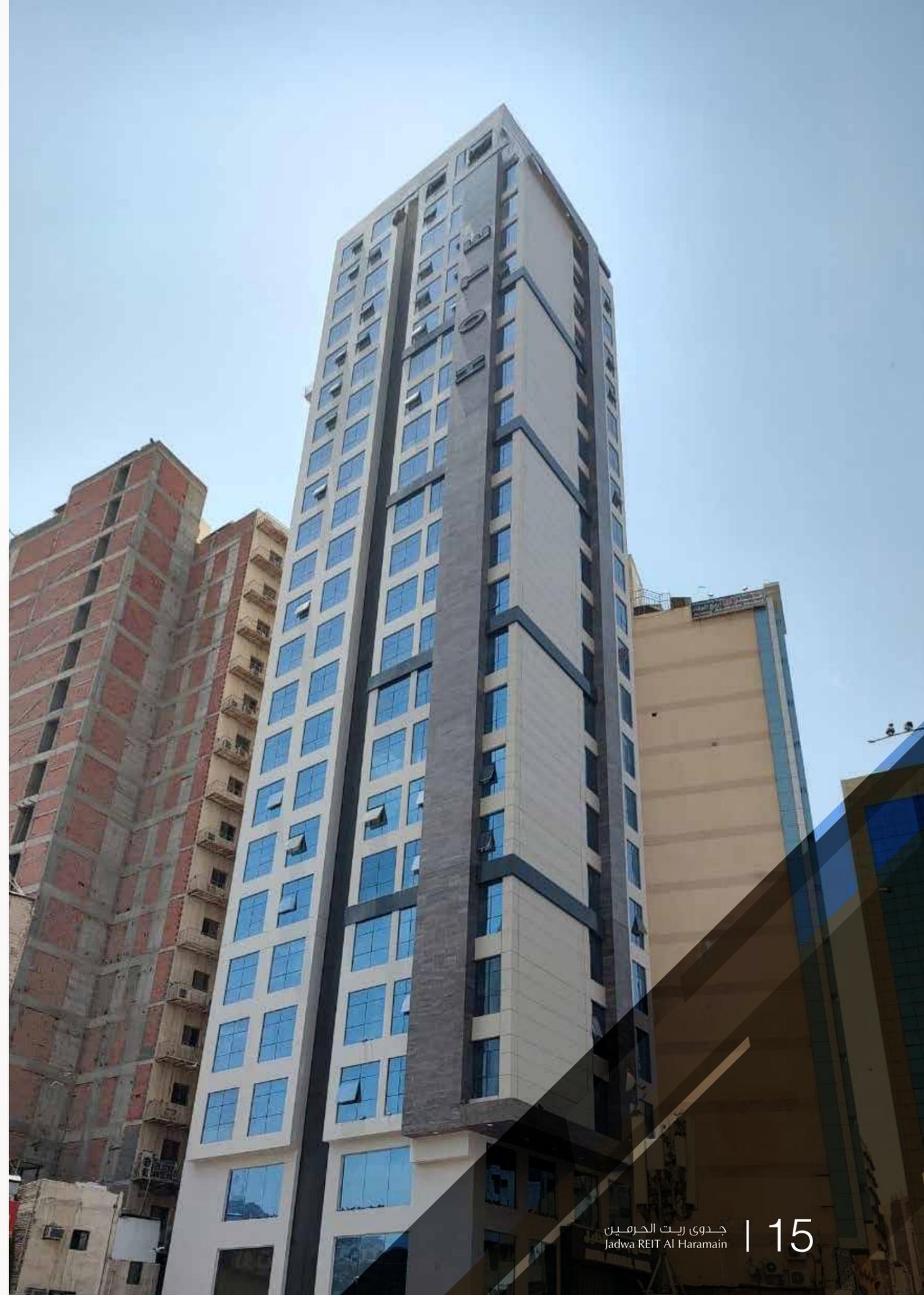


Worth Elite Hotel

- The property is currently utilized as a Three-star hotel, under the brand of 'Worth Elite Hotel'.
- 162 rooms to accommodate visitors to Makkah's holy sites throughout the year. Located within 500 meters of the Masjid Al-Haram.
- The property consists of a basement, ground level, mezzanine floor, service level, 17 upper levels and a roof.
- The ground level is internally configured to accommodate three shops.

Location	Worth Elite Hotel Makkah, Al Mesfalah District
Acquisition Price	160,000,000
Net Acquisition Yield	N/A
Number of tenants	1
Fair Value Estimation*	142,192,861
Occupancy Rate	87%
Remaining Lease Term	N/A
% of Total Fund Portfolio	20%

*as of 31st Dec 2025



Retail Building

- The property is configured to allow for two retail shops and ancillary residential.
- The building consists of a ground level, two upper levels and a roof.

Location	Retail Building Makkah, Al Mesyal Road
Acquisition Price	23,000,000
Net Acquisition Yield	6.7%
Number of tenants	1
Fair Value Estimation*	25,615,860
Occupancy Rate	100%
Remaining Lease Term	1 year
% of Total Fund Portfolio	4%

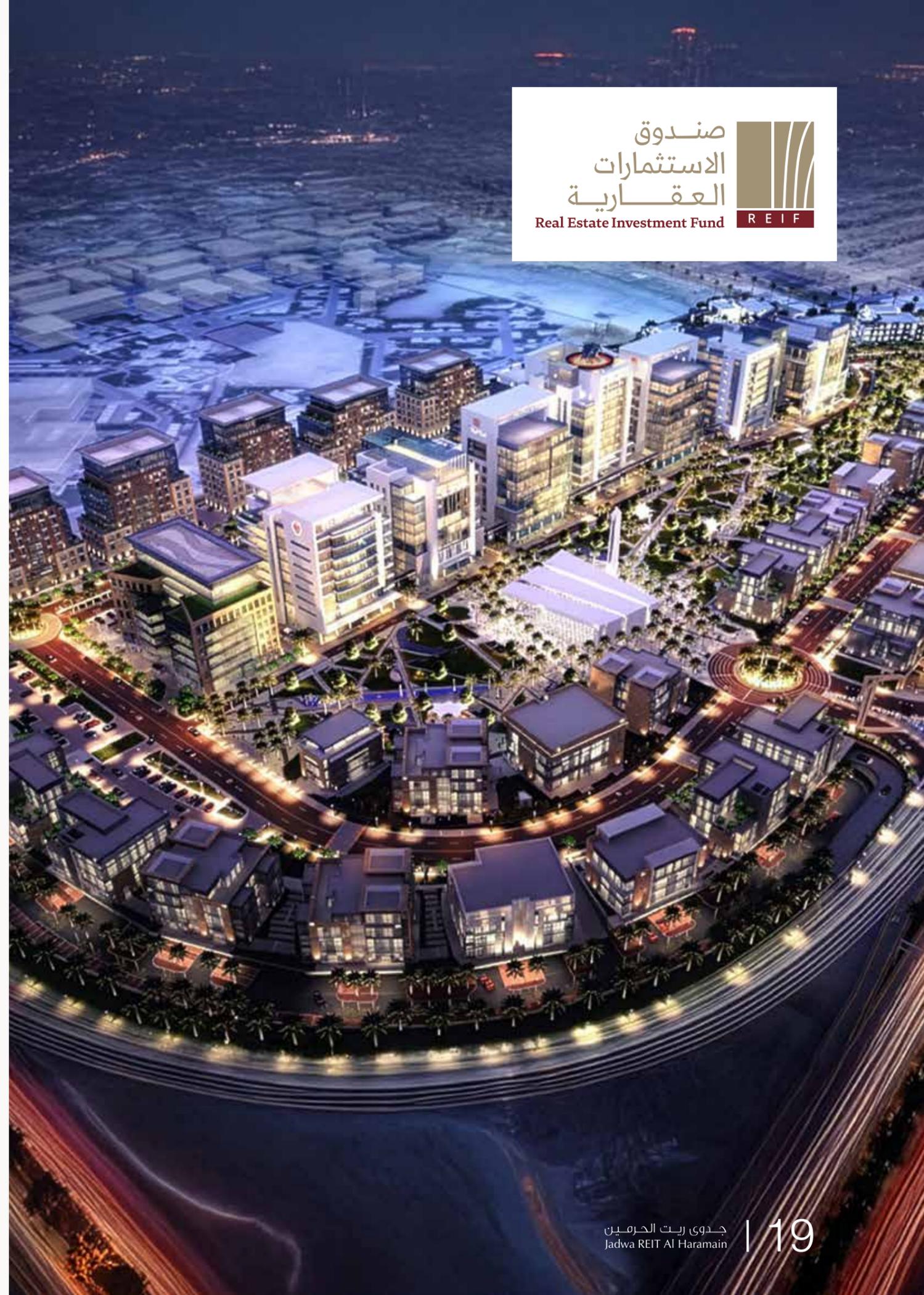
*as of 31st Dec 2025



Units in Real Estate Investment Fund

- The Fund invested in REIF, a closed-ended Shariah-compliant real estate investment fund in Saudi Arabia managed by Jadwa Investment Company, with a total investment of 50 mn. REIF aims to generate stable income and capital appreciation through the acquisition of income-generating real estate assets across the Kingdom.
- To finance its acquisitions, REIF raised SAR 1.6 billion through in-kind and cash subscriptions and secured SAR 1.3 billion in bank financing from Saudi banks with a five-year maturity.
- In 2023, REIF sold its largest asset, representing more than 70% of its portfolio, and distributed the proceeds to unit holders. The fund subsequently sold two additional assets REIF Flats and its investment in the Real Estate Growth Fund. As of now, the fund holds a single remaining asset: Five office towers and two parking towers in Laysen Valley complex.

Initial Investment	50,000,000
Total distributions received to date	63,641,514
Remaining Investment	11,941,435
Number of Underlying Properties	1
% of Total Fund Portfolio	2%





Section 3

**RISK
REPORT**

Jadwa REIT Al Haramain Fund Risk Report

Fund Description

Fund Name	Jadwa REIT Al Haramain Fund
Fund Manager	Jadwa Investment Company
Listing Exchange	Tadawul (Saudi) Stock Exchange in April 2017
Type of Fund	Closed-ended Shariah Compliant
Authorized Capital	SR 660,000,000 (66,000,000 units)
Risk Level as per T&C	Medium
Fair NAV per unit	SAR 7.86 (NAV as of 31st Dec 2025)
No. of Properties	4
Fund Term	99 Years, extendable for additional periods

Key Risks

Risk Type	Risk Description	Risk Mitigation
Economic Risk	Changes in economic conditions, including, for example, inflation, new government regulations, political events, and trends can affect the Fund's prospects.	Regular monitoring of macroeconomic conditions and regulatory trends in laws is being carried out by the Fund Manager. Proactive steps are taken to mitigate or minimize the impact as much as possible.
Legal and Regulatory Risk	Failure to adhere to laws, rules and regulations as stipulated by CMA can result in suspension of trading or cancellation of the Fund's listing.	The Fund Manager has recruited qualified personnel to manage the Fund and monitor all regulatory requirements such as compliance and risk management. These qualified persons take all necessary steps for establishing and confirming to avoid any non-compliant practices under the supervision of the Fund Manager.
Occupancy Risk	Risk when expected occupancy rates are not achieved, which affects the profitability of the Fund.	All properties acquired by the Fund have strong economic fundamentals and cash-generation characteristics, thus providing significant margins of safety on occupancy rates. The 3 out of 4 properties owned by the Fund is operated by Emaar Al Diyafa Hotels Company and the remaining 1 property is fully leased.
Development Risk	Development risks associated with real estate projects under development include delay in construction, costs exceeding planned allocations that may affect the profitability and / or financial feasibility of the Project.	All the properties owned by the Fund are fully developed. Therefore, the Fund is not exposed to any development risk.
Credit Risk	Risks relating to the inability of tenants to meet their payment obligations towards the Fund.	Credit analysis/ assessment is conducted by the Fund Manager before on boarding new tenants. For the existing tenants, regular monitoring of outstanding dues towards the Fund and follow up for payments is done by the Fund Manager.
Financing Risk	Financing risk occurs when the Fund is unable to attain financing from market to continue/expand its operation.	The Fund has a committed SAR 300 million credit line facility out of which SAR 216 million has been utilised. The Fund has been able to increase / decrease the financing facilities since inception, assuring that the financing risk is at a minimal.
Lease Renewal Risk	Lease renewal risk is the risk of nonrenewal of existing leases or renewal at lower than current lease rate that might impact the rental income of the Fund.	The Fund enters into long-term operating lease contracts with tenants for space in its investment properties. Out of the 4 properties, 3 properties are tagged as operating assets. Lack of long-term leasing contracts exposes the Fund to occupancy risk. The Fund Manager continues to find opportunities to enter into long term operating lease contracts with tenants for space in its properties with long lease terms.

Jadwa REIT Al Haramain Fund Risk Report

Key Risks

Risk Type	Risk Description	Risk Mitigation
Risk of neglecting the property	Any adverse event leading to structural damage to the properties owned by the Fund thereby risking the income generating potential from such properties.	All the properties are insured by the Fund which covers for all property damages. The Fund Manager ensures that the insurance coverage is adequate under public liability and property all risks insurance.
Property Manager Risk	Risk of early termination of the property manager contract thereby impacting the operations of the properties that it manages.	Provision of advance notice of 3 months by either party before terminating the services. During this period alternative arrangement can be made by the Fund Manager.
Counterparty Concentration Risk	This risk arises when a single counterparty has the most concentration of leased assets, this might lead to an adverse condition if the counterparty has troubles in future.	Currently 3 properties are tagged as operating assets, and 1 property is leased. The counterparty concentration risk is being mitigated by growing the portfolio over a range of tenants and diversification of the Fund by investing in other funds.
Sector Concentration Risk	This risk arises when all assets belong to the same sector, this might lead to an adverse condition if that sector has troubles in future.	97% of fund's assets are in hospitality sector and rest 3% are in retail sector. This subjects the Fund to the risks inherent in the hospitality sector. The Fund continuously explores various options for diversification including (not limited to) investing in other private real estate investment fund.
Risk of fixed cost bear by the Fund which will not decrease with lower revenues	A significant portion of the Fund's expenses comprises maintenance expenses, operational costs for real estate assets, and management fees. Consequently, if the Fund's income declines, these costs remain constant, leading to a reduction in available funds for distributing dividends to unitholders.	The management fees are paid on the basis of the Fund's Net Asset Value, and Fund's total annual revenue, paid semi-annually with cap of 0.75% of the Fund's Net Asset Value. Moreover, the Fund management is linked to the revenue to ensure that if leases decrease the fees also decrease. The other fixed costs are reviewed periodically by the Fund Manager and necessary actions are taken in the interest of the unitholders.
Geographical Concentration Risk	The risk arises when all the assets belong to same geographical area, this might lead to an adverse condition if that location has troubles in future.	Post changes in terms and conditions in 2020, the Fund Manager can invest a minimum 60% asset allocation in the holy cities of Makkah and Medina and remaining 40% can be invested in income generating and development real estate projects in rest of the cities inside or outside the kingdom with restrictions on concentration limits of 40% and 25% respectively. The Fund Manager is actively looking for investment opportunities outside the holy cities to ensure diversification of geographical risk.

Risk Type	Risk Description	Risk Mitigation
Interest Rate Risk	The risk that the value of Fund's assets and financial instruments will fluctuate due to adverse changes in profit/ interest rates.	The Fund is leveraged using a floating rate facility (priced at a SAIBOR +175bps) and any adverse change in SAIBOR would result in higher profit/ interest expenses and consequently lower total returns to the Unitholders. The Fund Manager is mitigating the impact of increasing profit/ interest rate by selling the least performing assets and using the proceeds to buy a better yielding asset and repay the debt.
Liquidity Risk	The risk of the Fund not being able to meet short term financial demands (e.g., debt servicing, dividend distribution, operating expenses) or unable to meet any payment obligations for exiting property.	Cash flow generated from operating the property portfolio represents the primary source of liquidity used to service the interest on debt, fund's general and administrative expenses. The Fund Manager ensures that there are adequate funds to repay obligation in a timely and cost-effective manner.
Leverage Risk	The risk that the Fund may not be able to generate necessary income to service its debt which triggers an event of default.	The Fund Manager closely monitors the detailed cash flows statements by property and the overall fund to ensure that sufficient funds are available to meet any debt repayment commitments as they arise. Moreover, the Fund Manager closely monitors the debt covenants to make sure that all covenants are met (all covenants are met as of 31/12/2025).
Exit Risk	The risk of inability to liquidate the underlying real estate assets in a timely manner and according to the Fund's strategy. This risk is more relevant as the Fund gets closer to maturity.	The Fund has a long term to maturity (99 years, extendable) and the Fund's units continue to be tradable on the stock exchange, giving unitholders the ability to exit at the time of their choice based on prevailing market prices. The Fund has invested in Real Estate assets which have suitable appetite and strong investors demand and are easier to liquidate than other Real Estate assets.
Asset Valuation Risk	Incorrect valuation of the properties resulting in notional and reputational losses.	The Fund Manager ensures clear communication of most up to date required information to the external professional valuers for valuation of the properties to reduce the risk of inaccurate valuation. Moreover, Valuations are carried out by two independent valuers accredited by Saudi Authority for Accredited Valuers (TAQEEM). The Fund Manager uses the average of two valuations for reporting and decision making.
Environmental, Social and Governance (ESG) Risk	Environmental, Social, and Governance (ESG) risks refer to the three factors in measuring the sustainability and societal impact of an investment.	As part of the traditional financial analysis and due diligence, the risks arising due to environmental issues of properties and environmental regulation are accounted for the valuation processes by the independent valuers. The increased awareness of the Fund Manager about ESG risks, do not guarantee that its financial results will not be negatively impacted by the occurrence of any such event.



Jadwa REIT Al Haramain Fund Risk Report

Conclusion

The Jadwa REIT Al Haramain Fund is exposed to various risks as identified above which may impact the performance of the Fund. These risks have been mitigated through the actions taken by the Fund Manager to some extent. Out of 4 properties, 1 property is leased for next 1 year and rest 3 properties are operating assets managed by Al Diyafa Hotels Company. Lack of long-term leasing contracts exposes the Fund to occupancy risk. The Fund Manager is continuously exploring new investments and diversification opportunities to provide a stable stream of income to the investors including investment in other funds. The Fund is exposed to a sector concentration risk as significant portion of leasing income is derived from hotel properties. This subjects the Fund to the risks inherent in the hospitality sector.



Section 4

**FUND
GOVERNANCE**

Jadwa REIT Al Haramain Fund Governance

About the REIT

The Jadwa REIT Al Haramain Fund is a closed-ended Shariah-compliant real estate investment-traded Fund that is managed by Jadwa Investment Company. The Fund operates in accordance with the Real Estate Investment Fund Regulations by the capital market authority.

Name	Jadwa Investment Company
Address	Laysen Valley, Tower 8, King Khaled Road, P.O. Box 60677, Riyadh 11555, Kingdom of Saudi Arabia
Website	www.jadwa.com

About Jadwa Investment Company

Jadwa Investment is the premier investment management and advisory firm in Saudi Arabia and the wider region. Headquartered in Riyadh with three regional offices, the firm has over SAR 101 billion in client assets under management and advisement.

Its clients include government entities, local and international institutional investors, leading family offices, and high-net-worth individuals. Jadwa Investment is licensed by the Capital Market Authority (CMA) as an authorized person, with license number 06034-37

Delegation to Third Parties

As the Fund manager, Jadwa Investment Company is liable for the appointment of any third party (including its affiliates) and their responsibilities.

Jadwa Investment Company is also the Fund administrator. However, Jadwa has delegated certain administrative functions to Apex Fund Services (Dubai) Ltd to enhance the performance of the REIT.

Fund Manager's Investment:

None.

Changes in the Fund's Terms and Conditions:

None.

Jadwa REIT Al Haramain Fund Governance

Custodian

Name	AlBilad Investment Company
Address	Smart Tower, First Floor, Intersection of King Fahad Road and Tahlia Road, P.O. Box 140, Kingdom of Saudi Arabia.
Website	www.albilad-capital.com
Tel	+966 11 290 6245

Auditor

Name	Alluhaid & Alyahya Chartered Accountants (ACA)
Address	6733 Abo Bakr Al Siddiq Road, Al Taawun District. P.O. Box 85453, Riyadh 11691 Kingdom of Saudi Arabia.
Tel	+966 11 269 3516

Administrator

Name	Jadwa Investment Company
Address	Laysen Valley, Tower 8, King Khaled Road, P.O. Box 60677, Riyadh 11555, Kingdom of Saudi Arabia
Website	www.jadwa.com
Tel	+966 11 279 1111

Third-Party Valuers

Name	Esnad Company
Address	Riyadh, Kingdom of Saudi Arabia
Tel	+966 12 206 4111
Website	www.esnadrealestate.com

Name	Barcode Company
Address	Riyadh, Kingdom of Saudi Arabia
Tel	+966 11 4000 111
Website	www.barcode-sa.com

VAT Consultant

Name	PricewaterhouseCoopers (PWC)
Address	Kingdom Tower - 21st Floor, King Fahd Highway, Riyadh, 11414, Saudi Arabia
Tel	+966 11 211 0400
Website	www.pwc.com/m1

Conflicts of Interest

As of December 31, 2025, there are no transactions involving material conflicts of interest between Jadwa REIT Al Haramain Fund Jadwa Investment Company, its board or any third parties. To clarify, the appointed custodian Al Bilad Capital is wholly owned by Al Bilad Bank. A member of Jadwa Investment Company's board of directors is a shareholder in a founding company of Al Bilad Bank (at a percentage not representing control).

Conflicts of interest may exist or arise from time to time between the REIT, and the Jadwa Investment Company or its affiliates, subsidiaries, directors, officers, employees and agents thereof, and other Funds sponsored or managed by them. Where Jadwa Investment Company has a material conflict of interest with the Fund, Jadwa Investment Company will make full disclosure to the Fund Board as soon as practicable. Jadwa Investment Company will attempt to resolve any conflicts of interest by exercising its good faith judgment considering the interests of all affected investors and parties taken as a whole.

Jadwa REIT Al Haramain Fund Governance

Fund's Board

The Fund Board oversees the resolution of conflicts of interests. As at December 31, 2025, the Fund Board is composed of appointees of the Fund manager.

The members of the Fund Board have fiduciary duties to the investors under the Real Estate Investment Fund Regulations and will use their best efforts to resolve all conflicts by exercising their good faith judgment.

The Fund Board is composed of five members appointed by the Fund manager, of whom two are independent. Any amendment to the composition of the Fund Board shall be notified to the Unitholders by an announcement on the Fund manager's and Tadawul's websites

No Material Change

Fund Board Meeting

The Fund manager held Two Fund Board meetings during 2025

The first meeting was conducted on July 2025

The following topics have been discussed:

- An overview of REITs market in Saudi Arabia and Makkah market
- Fund Performance review in the first half of 2025

The second meeting was conducted on December 2025

The following topics have been discussed:

- An overview of REITs market in Saudi Arabia and Makkah market
- Fund Performance review in in the second half of 2025

Resolutions signed during the year of 2025

- Approval of the annual financial statements for Jadwa REIT Al Haramain Fund for the year ending on 31 December 2024.
- Approval of the annual financial statements for Jadwa REIT Al Haramain for the year ending on 30 June 2025.

Jadwa REIT Al Haramain Fund Governance

The Fund Board consists of the following members:

Ghannam Al Ghannam (Chairman)

Mr. Al Ghannam is the Director, Private & Institutional Client Investments at Jadwa Investment Company. Prior to joining Jadwa, he was a Senior Investment Advisor for private clients at HSBC Saudi Arabia. Mr. Al Ghannam has over 14 years of experience in business development and wealth management. He is a certified financial planner and holds a BS degree in Business Administration from Toledo University.

Dr. Nouf Al Sharif (Board Member)

Dr. Nouf is a Deputy Head of Economic Research at Jadwa Investment. Prior to joining Jadwa Dr. Nouf was an economics lecturer at Prince Sultan University specializing and teaching Business, Micro and Macroeconomics and monetary banking. At a previous stage of her career, Dr. Nouf worked at Riyadh Bank as a senior economic planning analyst at Bank Economic Research. Dr. Nouf holds a PHD from Sussex University, United Kingdom, in addition to a master and bachelors (Honors) in economics from King Saud University.

Dr. Waleed Al Mazyad (Independent Director)

Dr. Waleed Al Mazyad is as a legal advisor to several commercial and industrial companies, and worked in the Ministry of Justice at the General Court and the Judicial Court as a judicial lieutenant, legal and legal and Sharia advisor, and secretary of the Board of Directors of the Arab Securities Company.

Nader Al Amri (Board Member)

The executive and founding partner of First Avenue for Real Estate Development Company, and occupies the role of a financial advisor to a number of public and private entities. He holds a Bachelor of Commerce in Economics from Saint Mary's University in Canada, in addition to a Master's degree in Economics from the University of Waterloo in Canada. Mr. Nader holds degrees in Real Estate Management, Finance, Design and Leadership from Harvard Business School in the United States, and he also holds a Professional Certificate in Real Estate Finance and Investment from New York University in the United States.

Adel Al Kadi (Independent Director)

Mr. Adel works as Vice Chairman and CEO of Al Hayat Investment Company, and previously worked in Advanced Electronics Company as a project manager. Mr. Adel has more than 9 years of experience in the field of investment and business development, and holds an industrial engineering degree from King Fahd University For Petroleum and Minerals with second honors, in addition to a certified project manager certificate from the International Project Management Institute.

Jadwa REIT Al Haramain Fund Governance

Sharia Board

Fund manager has appointed a Shariah Board as the Fund Shariah Advisor (the “Shariah Board”). The Shariah Board is a panel consisting of four scholars who are experts in the field of Islamic Shariah. It monitors the business, operations, investments and financings of the Fund to ensure compliance with the Islamic principles of Shariah.

The Fund manager carries out the Shariah monitoring tasks for the Fund’s investments, which include the following:

- Achieve the Fund’s commitment to Shariah monitoring through periodic reviews.
- Review agreements and contracts regarding the Fund’s transactions.
- Follow-up with the Fund’s operations, review its activities in terms of their legality, and consider the extent of its compliance with the Shariah Guidelines and the Shariah Board’s directions.
- Submit the matter to the Shariah Board in case of any potential Shariah violations.
- Prepare and follow-up with the necessary endorsements for the purification amounts approved by the Shariah Board.

The Shariah Board oversees the compliance of the Fund’s activities with the Shariah Guidelines and provides relevant advice.

H.E. Sheikh Dr. Abdulla Al Mutlaq

H.E. Sheikh Dr. Abdulla Al Mutlaq is a member of the Senior Ulema Board, Advisor to the Royal Court, former Chairman of the comparative Fiqh, Imam Mohammed Bin Saud Islamic University, and a member of the Shariah Board for several financial institutions in the Kingdom of Saudi Arabia.

Sheikh Bader Abdulaziz Al Omar

Sheikh Bader Abdulaziz Al Omar has 18 years of experience in Islamic banking. Currently, he is the Head of the Shariah Group at Jadwa Investment, having worked earlier in several positions at the Shariah group within Al Rajhi bank. He is a former member of the Islamic banking committee at the Saudi Arabian Monetary Agency.

Sheikh Dr. Muhammad Ali bin Ibrahim Al Qari bin Eid

Sheikh Dr. Muhammad Ali Al Qari bin Eid is a professor of Islamic Economics at King Abdulaziz University in Jeddah, and an expert at the Fiqh Academy of the Organization of Islamic Conference in Jeddah.

Sheikh Ahmed Abdulrahman Al Gaidy

Sheikh Ahmad Abdul Rahman Al-Gaidy holds the position of Chairman of the Shariah Group at the Gulf International Bank. Prior to that, he served as the Head of Shariah Research at Jadwa Investment Company. He has more than 18 years of experience in investment banking services. Sheikh Ahmad Abdul Rahman Al-Qaidi has issued a number of Shariah research papers related to contemporary financial transactions. He has also worked as a Shariah advisor at Al Rajhi Bank in the Investment Department, as well as a Shariah advisor at Bank Al Jazira in the Treasury Department.

Jadwa REIT Al Haramain Fund Governance

Shariah guidelines for the Fund's investment in real estate assets

The Shariah Board believes that investments in real estate assets are permissible subject to the following guidelines:

1. The purchase-and-sale agreement for the real estate assets must be in the Shariah Board's approved form.
2. The invested real-estate asset must be accurately known with due diligence.
3. The price must be known.
4. The Fund manager must not execute any lease contracts on a real estate asset until completion of the purchase of the real estate asset;
5. The property cannot be rented from the owner for a deferred payment, and then re-leased to the owner for an amount that is less than the deferred amount. The property must not be rented from the owner with a current payment, then re-leased to the owner for more than that price for a deferred payment.

In Addition:

1. The Fund can only invest directly in the shares of listed real estate companies.
2. The Fund can only purchase units in other real estate Funds traded on the Saudi Stock Market 'Tadawul' if these are Shariah-compliant and are approved by the Shariah Board.
3. All Murabaha transactions must be in SAR.

The Fund manager is responsible for the expenses of the Shariah Board, including those related to monitoring the business, operations, investments and financings of the Fund. The Fund is not responsible for Shariah Board's expenses.

The Shariah Board has reviewed the Terms and Conditions and approved the structure of the Fund and the offering of units at the Fund's inception. The Fund shall also comply with the approved Shariah Guidelines.

If any investment proceeds or other amounts received by the Fund are not Shariah-compliant, the Fund shall arrange for such funds to be 'purified' in accordance with a procedure to be determined by the Shariah Board from time to time. The Shariah Board shall specify the relevant purification percentage or amount.

The preceding does not support to be a complete or exhaustive explanation and summary of all the potential conflicts of interest involved in an investment in units in the Fund. It is strongly recommended that all potential investors seek independent advice from their professional advisors.



Section 5

REIT Fund Financials

Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

31 DECEMBER 2025

Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)
FINANCIAL STATEMENTS
31 December 2025

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INDEPENDENT AUDITOR'S REPORT
To the Unitholders of Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

Opinion

We have audited the accompanying financial statements of Jadwa REIT Al Haramain Fund (the "Fund") managed by Jadwa Investment Company (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2025, and the related statements of comprehensive income, cash flows and changes in equity for the year then ended, and notes to the financial statements, including a 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 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA") that are endorsed in the Kingdom of Saudi Arabia. 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 International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code") that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the key matter was addressed in the audit
<p>Assessing Impairment of Investment Properties</p> <p>The Fund owns a portfolio of investment properties comprising of land and commercial buildings being located in the Kingdom of Saudi Arabia.</p> <p>Investment properties are held for capital appreciation and/or rental yields and are stated at cost less accumulated depreciation and any impairment losses.</p> <p>As at 31 December 2025, the carrying value of investment properties was $\text{SAR } 676.5$ million (31 December 2024: $\text{SAR } 664.1$ million) which was net of accumulated depreciation of $\text{SAR } 101$ million (31 December 2024: $\text{SAR } 89.7$ million) and an accumulated impairment allowance of $\text{SAR } 59.9$ million (31 December 2024: $\text{SAR } 83.7$ million).</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> - We obtained an understanding of the process and controls surrounding assessment of impairment of investment properties by performing walkthrough procedures. - We agreed the value of all the properties held at the year end to the valuation included in the independent management expert valuation report; - We evaluated the competency, capabilities and objectivity of work performed by the independent management expert; - On sample basis, we performed the following:

INDEPENDENT AUDITOR'S REPORT (continued)
To the Unitholders of Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

Key Audit Matters (continued)

Key Audit Matter	How the key matter was addressed in the audit
<p>For assessing the impairment of investment properties, the Fund management monitors volatility of fair value of investment properties by engaging independent certified property valuers to perform a formal valuation of the Fund's investment properties on semi-annual basis.</p> <p>We considered this as a key audit matter since the impairment assessment of investment properties requires significant judgement and estimates by management and the external valuers. Any input inaccuracies or unreasonable bases used in these judgements and estimates (such as in respect of estimated rental value and yield profile applied) could result in a material misstatement of the Statement of Financial Position and in the Statement of Comprehensive Income.</p> <p><i>The Fund's accounting policy for investment properties is disclosed in note 5.1, the significant accounting estimates, judgement and assumptions relating to investment properties are disclosed in note 4 and related disclosures about investment properties are included in notes 6 and 7 of the accompanying financial statements.</i></p>	<ul style="list-style-type: none"> - We assessed the appropriateness of valuation methodology, assumptions, and estimates used by management in the process of impairment of investment properties; - We engaged in discussions with management and assessed the relevant assumptions used based on market data where possible; - We tested the appropriateness of the key assumptions used in the valuation of investment properties, such as estimated rental value and yield profile applied; <ul style="list-style-type: none"> - We checked the accuracy of impairment loss recognized in the statement of comprehensive income during the year; and - We ensured that the financial statements contain adequate disclosures regarding the valuation methodology, judgment, assumptions and estimates used in the valuation.

Other Information included in the Fund's 2025 Annual Report

The Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's 2025 annual report other than the financial statements and our auditor's report thereon. The Fund's 2025 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Fund's 2025 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT (continued)
To the Unitholders of Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements that are endorsed by SOCPA and the applicable provisions of the Real Estate Investment Fund Regulations issued by the Board of Capital Market Authority, and the Fund's terms and conditions and for such internal control as the Fund Manager 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, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charge with governance, i.e the Board of Directors are responsible for overseeing the Fund's financial reporting process.

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 ISA that are endorsed in the Kingdom of Saudi Arabia 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 ISA that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism 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 the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (continued)
To the Unitholders of Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Alluhaid & Alyahya Chartered Accountants



Turki A. Alluhaid
Certified Public Accountant
License No. 438

Riyadh: 19 Ramdan 1447 H
(8 March 2026)



Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 S	2024 S
ASSETS			
NON-CURRENT ASSETS			
Investment properties	6	676,582,358	664,111,114
Financial assets at fair value through profit or loss ("FVTPL")	8	11,941,435	20,617,485
TOTAL NON-CURRENT ASSETS		688,523,793	684,728,599
CURRENT ASSETS			
Prepayments and other assets	9	93,400	57,344
Rent and related receivables	10	8,037,520	15,901,190
Cash and cash equivalents	11	43,046,034	24,628,472
TOTAL CURRENT ASSETS		51,176,954	40,587,006
TOTAL ASSETS		739,700,747	725,315,605
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term loan	12	215,109,253	214,603,807
CURRENT LIABILITIES			
Due to related parties	14	4,326,651	4,364,414
Management fees payable	14	1,974,238	1,504,197
Accrued expenses and other liabilities	13	3,066,888	4,557,403
TOTAL CURRENT LIABILITIES		9,367,777	10,426,014
TOTAL LIABILITIES		224,477,030	225,029,821
EQUITY			
Net assets attributable to unitholders		515,223,717	500,285,784
TOTAL LIABILITIES AND EQUITY		739,700,747	725,315,605
Units in issue (in units)		66,000,000	66,000,000
Per unit value		7.81	7.58
Per unit fair value	7	7.86	7.58

The attached notes 1 to 23 form an integral part of these financial statements.

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Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 S	2024 S
INCOME			
Rental income from investment properties		41,918,676	40,791,673
Loss from financial assets at FVTPL	8	(1,750,767)	(1,141,079)
Finance income	11	1,203,019	1,128,265
Dividend income	8	-	423,774
		41,370,928	41,202,633
EXPENSES			
Depreciation	6	(11,277,854)	(10,692,262)
Management fee	14	(3,890,801)	(3,752,143)
Reversal / (charge) for expected credit losses	10	197,756	(2,792,093)
General and administrative expenses	15	(4,597,842)	(4,600,903)
Amortisation of transaction costs	12	(505,446)	(506,830)
		(20,074,187)	(22,344,231)
OPERATING PROFIT		21,296,741	18,858,402
Other income		1,424,431	-
Finance charges	12	(15,692,337)	(16,807,495)
PROFIT FOR THE YEAR BEFORE IMPAIRMENT		7,028,835	2,050,907
Reversal of impairment on investment properties	6	23,749,098	15,506,449
NET PROFIT FOR THE YEAR		30,777,933	17,557,356
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		30,777,933	17,557,356

The attached notes 1 to 23 form an integral part of these financial statements.

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Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 S	2024 S
OPERATING ACTIVITIES			
Net profit for the year		30,777,933	17,557,356
Adjustments to reconcile net gain to net cash flows:			
Depreciation	6	11,277,854	10,692,262
Amortisation of transaction costs	12	505,446	506,830
Finance charges	12	15,692,337	16,807,495
(Reversal) / charge for expected credit losses	10	(197,756)	2,792,093
Reversal of impairment loss on investment properties	6	(23,749,098)	(15,506,449)
Loss from financial assets at FVTPL		1,750,767	1,141,079
Finance income		(1,203,019)	(1,128,265)
		34,854,464	32,862,401
Changes in operating assets and liabilities:			
Decrease in due from related parties		-	23,576,633
Decrease in prepayments and other assets		15,763	18,680
Decrease / (increase) in rent and related receivables		8,061,426	(3,008,136)
Increase in management fee payable		470,041	301,670
(Decrease) / increase in accrued expenses and other liabilities		(1,490,515)	1,776,727
Increase in due to related parties		87,125	5,742
		41,998,304	55,533,717
Finance charges paid		(15,817,225)	(14,614,253)
Finance income received		1,151,200	1,112,376
		27,332,279	42,031,840
INVESTING ACTIVITIES			
Redemptions of financial assets at FVTPL	8	6,925,283	-
Addition to investment properties	6	-	(123,087)
		6,925,283	(123,087)
FINANCING ACTIVITIES			
Dividend distributions		(15,840,000)	(21,780,000)
		(15,840,000)	(21,780,000)
Net increase in cash and cash equivalents		18,417,562	20,128,753
Cash and cash equivalents at beginning of the year		24,628,472	4,499,719
Cash and cash equivalents at the end of the year		43,046,034	24,628,472

The attached notes 1 to 23 form an integral part of these financial statements.

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Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	2025 S	2024 S
Equity attributed to the Unitholders at beginning of the year	500,285,784	504,508,428
Comprehensive income		
Net profit for the year	30,777,933	17,557,356
Other comprehensive income for the year	-	-
Total comprehensive income for the year	30,777,933	17,557,356
Dividend distributions (note 19)	(15,840,000)	(21,780,000)
Equity attributed to the Unitholders at end of the year	515,223,717	500,285,784
Transactions in units for the year ended are summarised as follows:		
	2025 Units	2024 Units
Units at the beginning and end of the year	66,000,000	66,000,000

The attached notes 1 to 23 form an integral part of these financial statements.

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Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2025

1 CORPORATE INFORMATION

Jadwa REIT Al Haramain Fund (the "Fund") is a closed-ended Shariah compliant real estate investment traded fund. The Fund operates in accordance with Real Estate Investment Fund Regulations ("REIFR") issued by the Capital Market Authority ("CMA"). The Fund is listed on Saudi Stock Exchange ("Tadawul") and the units of the Fund are traded on Tadawul in accordance with its rules and regulations. The Capital of the Fund is 660,000,000 divided into 66,000,000 units of 10 each. The Fund has a term of 99 years, which is extendable at the discretion of the Fund Manager following the approval of the CMA.

The primary investment objective of the Fund is to provide its investors with regular income by investing in income-generating real estate assets in Saudi Arabia, with a focus on the Holy Cities of Makkah and Medina.

The Fund is being managed by Jadwa Investment Company (the "Fund Manager"), a Saudi Arabian closed joint stock company with commercial registration number 1010228782, and a Capital Market Institution licensed by the CMA under license number 06034-37.

Jadwa Al Khalil Real Estate Company, a Limited Liability Company with commercial registration number 1010495553, has been established and approved by the CMA as a special purpose vehicle (the "SPV") for the beneficial interest of the Fund. The SPV owns all the assets of the Fund and has entered into financing agreement on behalf of the Fund.

While the Fund will primarily invest in developed real estate assets which are ready for use, it may also opportunistically invest in real estate development projects in a value not exceeding 25% of the Fund's total asset value with the aim of achieving an increase in value per unit; provided that (i) at least 75% of the Fund's total assets are invested in developed real estate assets which generate periodic income and (ii) the Fund shall not invest in White Land.

The Fund has appointed Albilad Investment Company (the "Custodian") to act as its custodian. The fees of the custodian are paid by the Fund.

2 REGULATING AUTHORITY

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement that are endorsed by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA"), (collectively hereafter referred to as IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia).

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, using accrual basis of accounting, except for financial assets at fair value through profit or loss ("FVTPL") which are recorded at fair value.

The management has prepared the financial statements on the basis that it will continue to operate as a going concern.

3.3 Functional and presentation currency

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

Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Fund's financial statements in conformity with the IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

Going concern

The Board of Directors, in conjunction with the Fund Manager, has made an assessment of the Fund's ability to continue as going concern and satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Useful lives of investment properties

The management determines the estimated useful lives of investment properties for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods. The estimated useful lives of the investment properties are disclosed in note 6.

Impairment of investment properties

The carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset or cash generating unit ("CGU") exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The value in use is based on a discounted cash flow ("DCF") model, whereby the future expected cash flows are discounted using a pre-zakat discount rate that reflects the current market assessments of the time value of money and risks specific to the asset. Impairment losses are recognised in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognised for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately in the statement of comprehensive income.

Expected credit losses of trade receivables and contract assets

For rental income receivables and contract assets, the Fund applies a simplified approach in calculating expected credit losses ("ECL"). Therefore, the Fund does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The information about the ECL on the Fund's rental income receivables is disclosed in note 10 in these financial statements.

Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Fair value measurement

The Fund measures its investments in mutual fund at fair value at each reporting date. The investment in the investee fund is valued based on the latest available redemption price of such units for each investee fund, as determined by the investee fund's Manager.

The Fund discloses fair value of investment properties which is determined by real estate valuation experts using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement. The significant methods and assumptions used by valuers in estimating the fair value of investment properties are set out in note 7.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The summary of material accounting policy information used in the preparation of these financial statements are as follows:

5.1 Investment properties

Investment properties comprise completed properties that are held to earn rentals or for capital appreciation or both. Investment property is stated at cost including transaction costs net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

The cost less estimated residual value, if any, of investment property is depreciated on a straight-line basis over the estimated useful lives of the assets. Land, on the other hand, is reported at cost.

The estimated useful lives of the buildings range from 3 to 32 years.

The fair value of investment properties is disclosed in Note 7.

5.2 Impairment of non-financial assets

The carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset or cash generating unit ("CGU") exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets of a group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The value in use is based on a discounted cash flow ("DCF") model, whereby the future expected cash flows are discounted using a discount rate that reflects the current market assessments of the time value of money and risks specific to the asset. Impairment losses are recognised in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognised for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately in the statement of comprehensive income.

5.3 Cash and cash equivalents

Cash and cash equivalents consist of bank balances and investments that are readily convertible into known amounts of cash and have a maturity of three months or less when purchased.

Jadwa REIT Al Haramain Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.4 Financial instruments

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.

5.4.1 Initial recognition and measurement of financial instruments

The Fund initially recognises financial assets and financial liabilities when it becomes party to the contractual provisions of the financial instrument.

Initial measurement of the financial instrument is at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets carried at FVTPL are expensed in the statement of comprehensive income.

5.4.2 Financial assets – subsequent classification and measurement

Financial assets are subsequently measured at amortised cost or FVTPL. There are two criteria used to determine how financial assets should be classified and measured:

- The Fund's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset

A financial asset is measured at amortised cost if 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 amount outstanding. Otherwise, a financial asset is measured at FVTPL.

The Fund's financial assets include cash and cash equivalents and rent receivables.

The Fund has measured its investments in mutual fund at FVTPL.

The Fund derecognises a financial asset when the rights to the cash flows from the financial asset have expired or where the Fund has transferred substantially all risks and rewards associated with the financial asset and does not retain control of the financial asset.

5.4.3 Impairment of financial assets

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cashflows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As at the year end, the Fund has rent receivables as financial assets carried at amortised cost. For rent receivables, the Fund applies a simplified approach in calculating ECLs. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The information about the ECLs on the Fund's rent receivables is disclosed in note 10 and note 19 in these financial statements.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.4 Financial instruments (continued)

5.4.4 Financial liabilities – subsequent classification and measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate (“EIR”) method. The EIR is the rate that discounts the estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period to the net carrying amount on initial recognition.

The Fund derecognises a financial liability (or part of a financial liability) from its statement of financial position when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

The Fund’s financial liabilities include long-term loan, due to related parties, management fees payable and other liabilities.

5.4.5 Modification of financial assets and financial liabilities

Financial assets

If the terms of the financial asset are modified, the Fund evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Fund recalculates the gross carrying amount of the financial asset and recognises the amount adjusting the gross carrying amount as modification gain or loss in the statement of comprehensive income.

Financial liabilities

The Fund derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability distinguished and the new financial liability with modified terms are recognised in the statement of comprehensive income.

5.4.6 Offsetting of financial instruments

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

5.4.7 Trade date accounting

All regular way purchases and sales of financial assets are initially recognised and derecognised on the trade date (i.e., the date of on which the Fund becomes a party to the contractual provision of the instrument). Regular way purchases or sales of the financial instruments require delivery of those assets within the time frame generally established by regulation or convention in the market-place. All other financial assets and liabilities are also initially recognised on the trade date at which the Fund becomes a party to the contractual provision in the market-place.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.5 Current versus non-current classification

The Fund presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Fund classifies all other liabilities as non-current.

5.6 Fair value measurement

The Fund measures financial instruments such as equity instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for asset or liability

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

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

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

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

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

Jadwa REIT Al Haramain Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.6 Fair value measurement (continued)

For assets and liabilities that are recognised in financial statements at fair value on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year. The Fund determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies. For this analysis, the Fund verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Fund also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed in notes 7 and 8.

5.7 Provision

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.8 Revenue recognition

Revenue includes rental income and other income from investment properties.

The Fund recognises lease payments as rental income on a straight-line basis. After lease commencement, the Fund recognises variable lease payments that do not depend on an index or rate (e.g. performance- or usage-based payments) as they are earned. When the Fund provides incentives to its tenants, the cost of the incentives is recognised on a straight-line basis, as a reduction of rental income.

The contracts include fixed price and the customer pays the fixed amount based on a payment schedule. If the services rendered by the Fund exceed the payment, contract asset is recognised. If the payments exceed the services rendered, contract liability is recognised.

5.9 Management fees

Management fees are charged by the Fund Manager according to the following rate: (a) 0.5% annually of the Fund's Net Asset Value, and (b) 5% of the Fund's total annual revenue, paid semi-annually and calculated based on the performance of each year separately, provided that the total Management Fees does not exceed 0.75% of the Fund's Net Asset Value, for the purposes of calculation of Management Fees, "Fund's total revenue" means gross income from rentals of real estate assets, not including any capital gains.

Jadwa REIT Al Haramain Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.10 Expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of revenue.

5.11 Net asset value

The net asset value per unit disclosed in the financial statements is calculated by dividing the net assets of the Fund by the number of units in issue at the year-end.

5.12 Zakat

Zakat is the obligation of the Unitholders and is not provided for in the financial statements.

5.13 Dividends distribution

The Fund has a policy of distributing and paying at least 90% of its net profit, not including profit resulting from the sale of the underlying real estate assets and other investments and unrealised (loss)/gain on financial assets at FVTPL.

5.14 Amendments to existing standards effective 1 January 2025

The Fund applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated).

Lack of Exchangeability - Amendments to IAS 21

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendments had no impact on the financial statements of the Fund.

5.15 New standards, amendments and interpretations effective after 1 January 2025 and have not been early adopted

The following standards, amendments to standards and interpretations are not yet effective. The Fund intends to adopt these standards, if applicable, when they become effective and endorsed by SOCPA.

<u>Standards/amendments to standards/interpretations</u>	<u>Effective date</u>
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to the IFRS Accounting Standards	1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Fund Manager is currently making an assessment to identify all impacts the new standards, amendments to standards and interpretations which will have on the primary financial statements and notes to the financial statements.

In the opinion of the Fund Manager, other than IFRS 18, the Fund Manager does not anticipate that the standards, amendments to standards and interpretations will have a material effect on the Fund's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

6 INVESTMENT PROPERTIES

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

31 December 2025

Description	Cost	Accumulated depreciation	Accumulated Impairment (Note 6.2)	Net book Value
	ﷲ	ﷲ	ﷲ	ﷲ
Tharawat Al Andalusia Hotel	381,443,226	57,093,776	19,874,761	304,474,689
Tharawat Al Taqwa Hotel	250,000,000	42,162,186	823,006	207,014,808
3-Star Hotel, Makkah	183,076,608	1,664,030	39,219,717	142,192,861
Retail Building	23,000,000	100,000	-	22,900,000
	<u>837,519,834</u>	<u>101,019,992</u>	<u>59,917,484</u>	<u>676,582,358</u>

31 December 2024

Description	Cost	Accumulated depreciation	Accumulated Impairment (Note 6.2)	Net book value
	ﷲ	ﷲ	ﷲ	ﷲ
Tharawat Al Andalusia Hotel	381,443,226	51,276,914	18,549,057	311,617,255
Tharawat Al Taqwa Hotel	250,000,000	37,368,058	6,122,876	206,509,066
3-Star Hotel, Makkah	183,076,608	997,166	58,619,687	123,459,755
Retail Building	23,000,000	100,000	374,962	22,525,038
	<u>837,519,834</u>	<u>89,742,138</u>	<u>83,666,582</u>	<u>664,111,114</u>

The movement in the account during the year is as follows:

	2025	2024
	ﷲ	ﷲ
Cost		
Balance at beginning of the year	837,519,834	837,396,747
Additions during the year	-	123,087
Balance at end of the year	<u>837,519,834</u>	<u>837,519,834</u>
Accumulated depreciation		
Balance at beginning of the year	89,742,138	79,049,876
Depreciation charge for the year	11,277,854	10,692,262
Balance at end of the year	<u>101,019,992</u>	<u>89,742,138</u>
Accumulated impairment		
Balance at beginning of the year	83,666,582	99,173,031
Reversal of impairment for the year	(23,749,098)	(15,506,449)
Balance at end of the year	<u>59,917,484</u>	<u>83,666,582</u>
Net book value	<u>676,582,358</u>	<u>664,111,114</u>

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Jadwa REIT Al Haramain Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

6 INVESTMENT PROPERTIES (continued)

The useful lives of the investment properties as estimated by an independent valuator range from 3 to 32 years.

During the year ended 31 December 2025, the Fund recognised depreciation amounting to ﷲ 11,277,854 (2024: ﷲ 10,692,262).

All the above investment properties are built on freehold land. Freehold land along with the properties are kept in the custody of Albilad Capital. The Fund acquired properties in Makkah in different locations with an aggregate area of 3,227.2 square meters of land (2024: 3,227.2 square meters of land).

6.1 Brief details of the investment properties:

6.1.1 Tharawat Al Andalusia Hotel

This property is a fully constructed and operated hotel located in Al Misfalah District, being situated approximately 0.5 km away from the Holy Mosque, benefitting from a direct view over Ibrahim Al-Khalil Road.

6.1.2 Tharawat Al Taqwa Hotel

This property is a fully constructed pilgrim accommodation hotel located in Shisha District north of the intersection between the major Al Hajj Road and King Fahad Road. The Fund earns an annual rent from the operating lease of this hotel.

6.1.3 Retail Building

The property was acquired as a retail property. It is located in Al Misfalah District, with a direct view on Misyal Road, and is 500m away from the Holy Mosque. The property in its current state is fully leased.

6.1.4 3-Star Hotel, Makkah

The hotel tower is located in Al Misfalah District. The redevelopment of the hotel tower was completed and operation of the hotel commenced during the prior year.

6.1.5 These investment properties have been pledged with Albilad Bank in order to secure a debt facility obtained by the SPV for the purposes of the Fund.

6.2 Impairment of investment properties

The investment properties were tested for impairment and the management noted the carrying amounts of two properties (2024: four properties) to be lower than the recoverable amount and carrying amounts of two property (2024: no property) to be more than the recoverable amount. Accordingly, during the year ended 31 December 2025, the management recognised a net reversal of impairment loss of ﷲ 23,749,098 (2024: reversal of impairment of ﷲ 15,506,449) to adjust the value of its investment properties to their recoverable amounts based on the average fair values as of the reporting period determined by the independent evaluators as shown in note 7.

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Jadwa REIT Al Haramain Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

7 EFFECTS ON NET ASSET VALUE IF INVESTMENT PROPERTIES ARE FAIR VALUED

In accordance with Article 37 of the REIFR issued by CMA in the Kingdom of Saudi Arabia, the Fund Manager evaluates the Fund's real estate assets based on two evaluations prepared by independent evaluators. However, investments properties are carried at cost less depreciation and impairment, if any, in these financial statements.

The fair value of the investment properties is determined by two accredited valuers, i.e. Esnad and Barcode (2024: Esnad and Barcode). As at the reporting date, the valuation of investment properties is as follows:

	Appraiser 1 SAR	Appraiser 2 SAR	Average SAR
31 December 2025			
Tharawat Al Andalusia Hotel	311,117,000	297,832,378	304,474,689
Tharawat Al Taqwa Hotel	198,652,000	217,045,132	207,848,566
3-Star Hotel, Makkah	155,529,000	128,856,722	142,192,861
Retail Building	25,000,000	26,231,720	25,615,860
	690,298,000	669,965,952	680,131,976
	Appraiser 1 SAR	Appraiser 2 SAR	Average SAR
31 December 2024			
Tharawat Al Andalusia Hotel	316,152,000	307,082,510	311,617,255
Tharawat Al Taqwa Hotel	195,973,000	217,045,132	206,509,066
3-Star Hotel, Makkah	136,714,000	110,205,510	123,459,755
Retail Building	22,500,000	22,550,076	22,525,038
	671,339,000	656,883,228	664,111,114

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

The investment properties were valued taking into consideration number of factors, including the area, rent, and type of property. Below is an analysis of the fair value of investment properties against cost:

7.1 The unrealised gain on investment properties based on fair value evaluation is set out below:

	2025 SAR	2024 SAR
Fair value of investments properties	680,131,976	664,111,114
Less: Carrying value of investments properties (Note 6)	676,582,358	664,111,114
Unrealised gain based on fair value valuation	3,549,618	-
Units in issue	66,000,000	66,000,000
Per unit share in unrealised gain based on fair value valuation	0.05	-

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Jadwa REIT Al Haramain Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

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

7.2 The net asset value using the fair values of the investment properties is set out below:

	2025 SAR	2024 SAR
Net asset value at cost, as presented in these financial statements	515,223,717	500,285,784
Unrealised gain based on investment properties valuation (note 7.1)	3,549,618	-
Net asset based on fair value	518,773,335	500,285,784

7.3 The net asset value per unit, using the fair values of the investment properties is set out below:

	2025 SAR	2024 SAR
Net asset value per unit, at cost as presented in these financial statements	7.81	7.58
Impact on net asset value per unit on account of unrealised gain based on fair value valuation (note 7.1)	0.05	-
Net asset value per unit at fair value	7.86	7.58

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 SAR	2024 SAR
Non-current		
Investment in private real estate fund	11,941,435	20,617,485

This represents an investment of 935,849 units (2024: 1,412,578 units) in Real Estate Investment Fund, a closed-ended Shariah-compliant private real estate investment fund managed by Fund Manager, the cost of which is SAR 9,358,491 (2024: SAR 14,125,783).

During the year ended 31 December 2025, the Fund redeemed 476,729 units for cash proceeds of SAR 6,925,283. These units had an original cost of SAR 4,767,291. As a result, the Fund recognised a realised gain of SAR 2,157,992, which has been included in statement of profit or loss and other comprehensive income for the year.

As at 31 December 2025, the Fund holds 3.12% of the Real Estate Investment Fund (2024: 3.12%).

Subsequent to the year ended 31 December 2025, the Board of Directors of the Fund approved the sale of 935,849 units of the Fund at a unit price of SAR 12.76, with a total value of SAR 11,941,435. The management has determined that the said price represents a reliable indication of the investment's fair value as at 31 December 2025.

The unrealised loss on investment in associate amounted to SAR 3,908,759 for the year ended 31 December 2025 (2024: gain of SAR 1,141,079).

During the year ended 31 December 2024, the Fund earned dividend income amounting SAR 423,774 from the associate.

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Jadwa REIT Al Haramain Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

9 PREPAYMENTS AND OTHER ASSETS

	2025 #	2024 #
Prepaid Insurance	37,556	37,430
Other receivables	55,844	19,914
	<u>93,400</u>	<u>57,344</u>

10 RENT AND RELATED RECEIVABLES

This account represents the rent receivables from the operating leases.

	2025 #	2024 #
Rent receivables	10,631,857	18,693,283
Less: Allowance for expected credit loss	(2,594,337)	(2,792,093)
	<u>8,037,520</u>	<u>15,901,190</u>

10.1 Movement in the allowance for expected credit loss:

	2025 #	2024 #
At the beginning of the year	2,792,093	-
Charge during the year	-	2,792,093
Reversal during the year	(197,756)	-
At the end of the year	<u>2,594,337</u>	<u>2,792,093</u>

Following is the ageing analysis of the rent receivables:

	31 December 2025			31 December 2024		
	Gross receivable #	ECL allowance #	Loss rate %	Gross receivable #	ECL allowance #	Loss rate %
Less than 30 days	6,948,989	-	0%	6,356,135	-	0%
Between 31 to 90 days	147,238	-	0%	789,493	-	0%
Between 91 to 150 days	759,713	221,896	29%	6,764,676	-	0%
Between 151 to 365 days	862,625	656,904	76%	2,280,196	289,308	13%
More than 365 days	1,913,293	1,913,293	100%	2,502,783	2,502,785	100%
	<u>10,631,858</u>	<u>2,792,093</u>		<u>18,693,283</u>	<u>2,792,093</u>	

The rent receivables are secured by promissory notes.

Impairment and risk exposure

Information about the impairment of rent receivables and the Fund's exposure to credit risk can be found in note 17.

Jadwa REIT Al Haramain Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

11 CASH AND CASH EQUIVALENTS

	2025 #	2024 #
Short-term deposits	35,000,000	22,000,000
Cash at bank	8,046,034	2,628,472
	<u>43,046,034</u>	<u>24,628,472</u>

As at 31 December 2025, there are bank accounts maintained with Banque Saudi Fransi, Albilad Bank and Riyadh Bank under the name of the SPV with a total balance of # 7,622,159 (2024: # 845,028).

Short-term deposits represent an investment in Murabaha deposits with an original maturity period of 90 days. As at 31 December 2025, the Fund's short-term deposits amounted to # 35,000,000 (2024: # 22,000,000) and carried a profit rate of 4.10% (2024: 5.20%).

Finance income for the year ended 31 December 2025 amounted to # 1,203,019 (2024: # 1,128,265), with an accrued finance income as at 31 December 2025 amounting to # 51,819 (2024: # 15,889).

12 LONG-TERM LOAN, NET

	2025 #	2024 #
Long-term loan	215,969,205	215,969,205
Less:		
Transaction costs	2,530,000	2,530,000
Amortisation of transaction costs	(1,670,048)	(1,164,602)
	<u>859,952</u>	<u>1,365,398</u>
Long-term loan, net	<u>215,109,253</u>	<u>214,603,807</u>

The Fund has obtained the following Shariah-compliant facilities through the SPV:

- On 13 September 2022, Albilad Bank extended a rollover shariah compliant facility to the SPV amounting to # 300,000,000 for the purposes of settling the outstanding loan to Banque Saudi Fransi and partially financing the acquisition of real estate properties. The SPV has made an arrangement with the Fund under a long-term loan agreement to lend all the loan proceeds availed by it under the facility to the Fund on terms and conditions same as that of the facility. The facility and the loan have a maturity period of 5 years.

The loan carries mark-up at the rate of Saudi Inter-Bank Offered Rate ("SAIBOR") plus 1.75% per annum, payable on semi-annual basis. As at 31 December 2025, the Fund has drawn # 215,969,205 (2024: # 215,969,205) from the facility.

Transaction costs related to the loan amounting to # 2,530,000 (2024: # 2,530,000) have been amortised over the period of loan facility. Amortisation for the year ended 31 December 2025 amounted to # 505,446 (2024: # 506,830) which is reflected under the statement of comprehensive income.

The facility is secured by promissory notes and pledge of investment properties of the Fund.

Finance charges against the said facility from the Albilad bank for the year ended 31 December 2025 amounted to # 15,692,337 (2024: # 16,807,495) which are reflected under the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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12 LONG-TERM LOAN, NET (continued)

The movement in the transaction costs is as follows:

	2025 #	2024 #
At beginning of the year	1,365,398	1,872,228
Amortisation during the year	(505,446)	(506,830)
At end of the year	<u>859,952</u>	<u>1,365,398</u>

13 ACCRUED EXPENSES AND OTHER LIABILITIES

	2025 #	2024 #
Hotel operations payable	936,546	2,255,533
Rent received in advance	919,449	403,687
Value added tax payable	607,145	1,021,912
Property valuation fee	170,125	197,325
Custody fee	126,525	61,353
Administrator fee	63,248	61,406
Professional fee	18,844	13,219
Others	225,006	542,968
	<u>3,066,888</u>	<u>4,557,403</u>

14 RELATED PARTY TRANSACTIONS AND BALANCES

14.1 Related party transactions

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

Related party	Nature of relationship	Nature of transaction	2025 #	2024 #
Jadwa Al-Khalil Real Estate Company	SPV	Finance charges	15,692,337	16,807,495
Jadwa Investment Company	Fund Manager	Management fee	3,890,801	3,752,143
Board of Directors	Director	Remuneration	20,000	20,000
Real Estate Investment Fund	Affiliate	Dividend income Redemption of units	- 6,925,283	423,774 -

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Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(i) Management fees

In consideration for managing the assets of the Fund, the Fund Manager in accordance with the terms and conditions of the Fund, charges management fees according to the following: (a) 0.5% annually of the Fund's net asset value, and (b) 5% of the Fund's total annual revenue, paid semi-annually and calculated based on the performance of each year separately, capped at total 0.75% of the Fund's net asset value, for the purposes of management fees, "Fund's total revenue" represents gross income from rentals of real estate assets.

14.2 Related party balances

The following are the details of major related party balances at year end:

Due to related parties

	2025 #	2024 #
Jadwa Al-Khalil Real Estate Company	4,039,719	4,164,607
Dividend payable	264,590	177,465
Jadwa Investment Company	22,342	22,342
	<u>4,326,651</u>	<u>4,364,414</u>

Management fees payable

	2025 #	2024 #
Jadwa Investment Company	1,974,238	1,504,197

15 GENERAL AND ADMINISTRATIVE EXPENSES

	2025 #	2024 #
Property management fee (i)	2,439,306	2,412,341
Professional fee (iii)	473,658	558,120
Registration fee	400,000	400,000
Value-added tax (VAT) expense	351,198	297,204
Administrator fee	253,157	249,709
Property operating cost	122,700	72,722
Tadawul listing fee	120,996	135,122
Property valuation fee	113,600	125,100
Insurance	96,736	86,695
Custody fee	89,777	112,521
Audit fees	60,000	60,000
Legal fee	47,025	68,775
Independent board member fee (ii)	20,000	20,000
Others	9,689	2,594
	<u>4,597,842</u>	<u>4,600,903</u>

(i) This pertains to fees paid to the property manager for the operation and maintenance of Tharawat Al Andalusia Hotel, Tharawat Al Taqwa Hotel and 3-Star Hotel.

(ii) This pertains to remuneration paid to the independent directors of the Fund's Board.

(iii) This pertains to the fee for the bookkeeping of the Fund and the consultancy services.

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Jadwa REIT Al Haramain Fund
(Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

16 FAIR VALUE MEASUREMENT

16.1 Financial instruments

Financial assets consist of cash and cash equivalents, rent receivables, and financial assets at FVTPL. Financial liabilities consist of due to related parties, management fees payable, other liabilities and long-term loan.

Due to the short-term nature of most of the financial instruments, their carrying amount is considered to be the same as their fair values. For the long-term loan, the fair value is not materially different from its carrying amount since the special commission rate on this loan is frequently repriced at market rate.

The following table shows the fair values of financial assets, including their levels in the fair value hierarchy:

	2025 Level 2 ﷲ	2024 Level 2 ﷲ
Financial assets at FVTPL (note 8)	<u>11,941,435</u>	<u>20,617,485</u>

The financial assets at FVTPL represent an investment in a private real estate investment fund. The fair value at the reporting date has been determined with reference to the subsequent sale price of the units, as the transaction provides observable evidence of fair value (Level 2 valuation).

There were no transfers between levels 1, 2 and 3 during the reporting period.

16.2 Non-financial assets

The fair value of investment properties is classified within Level 3 of the fair value hierarchy. Details of the fair value are disclosed in note 7.

When the fair value of items disclosed in these financial statements cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required to establish fair values. The estimates include capitalisation rate, property rate per square meter and profit margin.

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

The fair values of investment properties were assessed by Esnad and Barcode (2024: Esnad and Barcode) as disclosed in Note 7. They are accredited independent valuers with recognised and relevant professional qualifications and with recent experience in the location and category of the investment properties being valued.

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

Jadwa REIT Al Haramain Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2025

16 FAIR VALUE MEASUREMENT (continued)

16.2 Non-financial assets (continued)

The key assumptions used in determining the fair values of the investment properties are as follows:

Valuation approach	Key assumptions	Range	
		2025	2024
Income capitalization	Capitalisation rate (%)	5.00-8.00	5.00-8.00
Discounted cashflow	Rate of return	5.00-6.00	5.00-6.00
	Discount rate (%)	8.83	9.00
Market comparable	Rate per square meter (ﷲ '000)	254	232

17 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk. The Fund Manager is responsible for identifying and managing risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

The Fund's terms and conditions sets out its overall business strategies, its tolerance of risks and its general risk management philosophy and the Fund Manager is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

17.1 Market risk

Special commission rate risk

Special commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market. The Fund's special commission rate risk arises from long-term loans. This is benchmarked to SAIBOR which exposes the Fund to cash flow special commission rate risk.

The Fund analyses its special commission rate exposure on a regular basis by monitoring special commission rate trends and believes that the impact of such changes is not significant to the Fund.

An increase/decrease in special commission rate of 1%, with all other variables held constant, would have resulted in a net increase/decrease in the Fund's total comprehensive income of ﷲ 2,189,688 for the year ended 31 December 2025 (2024: ﷲ 2,195,687).

17.2 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As at year end, the Fund has cash and cash equivalents and rent receivables.

The maximum exposure to credit risk applicable to the Fund approximates to the carrying value of the financial assets as disclosed in these financial statements. The Fund seeks to limit its credit risk by monitoring outstanding balances on an ongoing basis. For banks and financial institutions, the Fund only deals with reputable banks with sound credit ratings.

The Fund applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for rent receivables, which is disclosed in note 10.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

17 FINANCIAL RISK MANAGEMENT (continued)

17.3 Liquidity risk (continued)

The table below summarises the maturity profile of the Fund's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 12 months	More than 12 months	Total
	ﷲ	ﷲ	ﷲ	ﷲ
31 December 2025				
Due to related parties	4,326,651	-	-	4,326,651
Management fees payable	-	1,974,238	-	1,974,238
Other liabilities	-	3,066,888	-	3,066,888
Long-term loan	-	19,188,663	226,594,218	245,782,881
	<u>4,326,651</u>	<u>24,229,789</u>	<u>226,594,218</u>	<u>255,150,658</u>
31 December 2024				
Due to related parties	4,364,414	-	-	4,364,414
Management fees payable	-	1,504,197	-	1,504,197
Other liabilities	-	4,557,403	-	4,557,403
Long-term loan	-	19,781,879	242,497,176	262,279,055
	<u>4,364,414</u>	<u>25,843,479</u>	<u>242,497,176</u>	<u>272,705,069</u>

18 OPERATING SEGMENT

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

19 DIVIDENDS DISTRIBUTION

The following dividends were distributed in accordance with the terms and conditions of the Fund:

31 December 2025

Dividend declaration date	Dividend period	ﷲ
3 August 2025	From 1 January 2025 to 30 June 2025	15,840,000
		<u>15,840,000</u>

31 December 2024

Dividend declaration date	Dividend period	ﷲ
20 February 2024	From 1 January 2023 to 31 December 2023	8,580,000
18 August 2024	From 1 January 2024 to 30 June 2024	13,200,000
		<u>21,780,000</u>

20 ZAKAT AND INCOME TAX

The Ministry of Finance has issued a resolution ("MR") numbered 29791, dated 9th Jumada Al-Awwal 1444 H (corresponding to 3 December 2022) publishing certain zakat filing rules to be complied by investment funds in the Kingdom of Saudi Arabia, applicable from the financial year 2023. According to the MR the Fund is not subject to zakat or tax, however, will be required to file certain financial information with Zakat, Tax and Customs Authority ("ZATCA") commencing 1 January 2023 (or commencing from the start of operations during the period ended 31 December 2023). The filing with ZATCA is due by 30 April 2026.

21 LAST VALUATION DAY

The last valuation day of the year was 31 December 2025 (2024: 31 December 2024).

22 EVENTS AFTER THE REPORTING DATE

On 21 January 2026, the Board of Directors of Fund approved the sale of 935,849 units of the Fund's investment in Real Estate Investment Fund at a unit price of ﷲ 12.76, with a total value of ﷲ 11,941,435.

On 2 February 2026, the Fund Manager approved to distribute dividends to the Unitholders for the period from 1 July 2025 to 31 December 2025 for an amount of ﷲ 6,600,000.

23 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Fund's Board on 14 Ramdan 1447H (corresponding to 3 March 2026).

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