

**Jadwa REIT Saudi Fund**  
(Managed by Jadwa Investment Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**To the Unitholders of Jadwa REIT Saudi Fund**  
**(Managed by Jadwa Investment Company)**

**Introduction:**

We have reviewed the accompanying interim condensed statement of financial position of Jadwa REIT Saudi Fund (the "Fund") as at 30 June 2024, and the related interim condensed statements of comprehensive income, cash flows and changes in equity for the six-month period ended 30 June 2024, and other explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standards 34 - "Interim Financial Reporting" (IAS 34), that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of Review:**

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion:**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

for Alluhaid & Alyahya Chartered Accountants



Turki A. Alluhaid  
Certified Public Accountant  
License No. 438

Riyadh: 06 Safar 1446 H  
(10 August 2024)



Jadwa REIT Saudi Fund  
(Managed by Jadwa Investment Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
	Notes		
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment properties	5	2,052,851,669	1,729,390,454
Financial assets at fair value through profit or loss ("FVTPL")	7	182,815,888	195,827,122
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,235,667,557</b>	<b>1,925,217,576</b>
<b>CURRENT ASSETS</b>			
Prepayments and other assets	8	30,582,087	51,098,330
Rent receivables	9	52,489,849	27,945,532
Cash and cash equivalents	10	19,497,328	65,974,431
<b>TOTAL CURRENT ASSETS</b>		<b>102,569,264</b>	<b>145,018,293</b>
<b>TOTAL ASSETS</b>		<b>2,338,236,821</b>	<b>2,070,235,869</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITY</b>			
Long-term loan	11	542,500,000	202,122,500
<b>CURRENT LIABILITIES</b>			
Due to related parties	14	2,708,250	1,645,700
Contract liability		12,502,278	4,027,247
Accrued management fees	14	8,799,903	9,625,348
Accrued expenses and other liabilities	12	4,269,212	22,256,282
<b>TOTAL CURRENT LIABILITIES</b>		<b>28,279,643</b>	<b>37,554,577</b>
<b>TOTAL LIABILITIES</b>		<b>570,779,643</b>	<b>239,677,077</b>
<b>EQUITY</b>			
Net assets attributable to unitholders		1,767,457,178	1,830,558,792
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,338,236,821</b>	<b>2,070,235,869</b>
Units in issue (in units)		186,509,785	186,509,785
Per unit value		9.48	9.81
Per unit fair value	6	11.82	11.36

The attached notes 1 to 20 form an integral part of these interim condensed financial statements.

Jadwa REIT Saudi Fund  
(Managed by Jadwa Investment Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2024

		<b>For the six-month period ended 30 June 2024 (Unaudited) SR</b>	<b>2023 (Unaudited) SR</b>
	<i>Notes</i>		
<b>REVENUE</b>			
Rental income from investment properties		<b>86,172,566</b>	67,708,916
Dividend income	14	<b>3,813,961</b>	40,500,000
Net loss on financial assets at FVTPL	7	<b>(13,011,234)</b>	(5,400,000)
Finance income	10	<b>768,022</b>	-
Gain on disposal of investment property		<b>1,243,611</b>	-
Other income		<b>571,678</b>	1,000
		<b>79,558,604</b>	102,809,916
<b>EXPENSES</b>			
Depreciation	5	<b>(19,029,738)</b>	(19,100,952)
Management fees	14	<b>(8,245,168)</b>	(7,485,644)
Provision for expected credit losses	9	<b>(3,413,979)</b>	(7,575,000)
Amortisation of transaction costs	11	<b>-</b>	(1,611,100)
General and administrative expenses	13	<b>(7,859,303)</b>	(6,648,878)
		<b>(38,548,188)</b>	(42,421,574)
<b>OPERATING PROFIT</b>		<b>41,010,416</b>	60,388,342
Finance charges	11	<b>(18,068,370)</b>	(16,577,964)
<b>PROFIT FOR THE PERIOD</b>		<b>22,942,046</b>	43,810,378
Impairment loss on investment properties	5	<b>(11,439,746)</b>	(2,329,402)
<b>NET INCOME FOR THE PERIOD</b>		<b>11,502,300</b>	41,480,976
Other comprehensive income		<b>-</b>	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>11,502,300</b>	41,480,976

The attached notes 1 to 20 form an integral part of these interim condensed financial statements.

Jadwa REIT Saudi Fund  
(Managed by Jadwa Investment Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024

		<i>For the six-month period ended 30 June</i>	
		<i>2024</i>	<i>2023</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Notes</i>	<i>SR</i>	<i>SR</i>
<b>OPERATING ACTIVITIES</b>			
Net income for the period		11,502,300	41,480,976
<i>Adjustments for non-cash and other items:</i>			
Depreciation on investment properties	5	19,029,738	19,100,952
Impairment loss on investment properties	5	11,439,746	2,329,402
Gain on disposal of investment property		(1,243,611)	-
Net loss on financial assets at FVTPL	7	13,011,234	5,400,000
Amortisation of transaction costs	11	-	1,611,100
Finance charges	11	18,068,370	16,577,964
Provision for expected credit losses	9	3,413,979	7,575,000
Finance income		(768,022)	-
		<b>74,453,734</b>	<b>94,075,394</b>
<i>Changes in operating assets and liabilities:</i>			
Prepayments and other assets		520,868	(254,558)
Rent receivables		(27,958,296)	31,878,304
Due to related parties		(2,995)	(38,181,444)
Contract liability		8,475,031	(1,646,664)
Accrued management fees		(825,445)	(6,817,085)
Accruals and other liabilities		(17,987,070)	(1,240,968)
		<b>36,675,827</b>	<b>77,812,979</b>
Finance charges paid		(17,002,825)	(15,265,616)
Finance income received		763,397	-
Net cash flows generated from operating activities		<b>20,436,399</b>	<b>62,547,363</b>
<b>INVESTING ACTIVITIES</b>			
Additions to investment properties		(422,687,088)	(556,771)
Proceed from disposal of investment properties		90,000,000	-
Net cash flows used in investing activities		<b>(332,687,088)</b>	<b>(556,771)</b>
<b>FINANCING ACTIVITIES</b>			
Distributions	17	(74,603,914)	(74,603,914)
Proceeds from long-term loan	11	340,377,500	-
Net cash flows generated from (used in) financing activities		<b>265,773,586</b>	<b>(74,603,914)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(46,477,103)</b>	<b>(12,613,322)</b>
Cash and cash equivalents at beginning of the period		65,974,431	45,636,276
<b>Cash and cash equivalents at end of the period</b>	10	<b>19,497,328</b>	<b>33,022,954</b>
<b>Significant non-cash transactions</b>			
Advance payment for property acquisition		20,000,000	-

The attached notes 1 to 20 form an integral part of these interim condensed financial statements.

Jadwa REIT Saudi Fund  
(Managed by Jadwa Investment Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024

		<i>For the six-month period ended June 30</i>	
		<i>2024</i>	<i>2023</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Notes</i>	<i>SR</i>	<i>SR</i>
<b>Equity attributed to the Unitholders at beginning of the period</b>		<b>1,830,558,792</b>	<b>1,779,492,303</b>
<b>Comprehensive income</b>			
Net income for the period		<b>11,502,300</b>	41,480,976
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<b>11,502,300</b>	41,480,976
Distributions	17	<b>(74,603,914)</b>	(74,603,914)
<b>Equity attributed to the Unitholders at end of the period</b>		<b>1,767,457,178</b>	<b>1,746,369,365</b>

The attached notes 1 to 20 form an integral part of these interim condensed financial statements.

# Jadwa REIT Saudi Fund

## (Managed by Jadwa Investment Company)

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2024

#### 1 CORPORATE INFORMATION

Jadwa REIT Saudi 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”) and Real Estate Investment Traded Funds (“REITF”) Instructions issued by the Capital Market Authority (“CMA”). The Fund is listed on Saudi Stock Exchange (“Tadawul”) and the units of the Fund started to be traded on Tadawul in accordance with its rules and regulations. The Capital of the Fund is SR 1,950,000,000 divided into 186,509,785 units (31 December 2023: SR 1,950,000,000 divided into 186,509,785 units). The Fund has a term of 99 years, which is extendable on the discretion of the Fund Manager following the approval of the CMA.

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.

The following entities have been established and approved by the CMA as special purpose vehicles (the “SPVs”) for the beneficial interest of the Fund. The SPVs own all the assets of the Fund and have entered into financing agreement on behalf of the Fund.

1. Real Estate Development Areas Company, a Limited Liability Company with commercial registration number 1010385322.
2. Jadwa Al Masha’ar Real Estate Company, a Limited Liability Company with commercial registration number 1010495554.
3. Growth Areas Real Estate Company, a Limited Liability Company – Owned by Single Person with commercial registration number 1010748800.

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, excluding the Holy cities of Makkah and Medina.

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”) and Real Estate Investment Traded Funds (“REITF”) instructions 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 interim condensed financial statements (“financial statements”) have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization of Chartered and Professional Accountants (“SOCPA”).

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the Fund’s annual financial statements for the year ended 31 December 2023.

The Fund manager has prepared the interim condensed financial statements on the basis that the Fund will continue to operate as a going concern. The Fund Manager considers that there are no material uncertainties that may cast significant doubt over this assumption. The Fund Manager has formed a judgement that there is a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

Jadwa REIT Saudi Fund  
(Managed by Jadwa Investment Company)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**3 BASIS OF PREPARATION (continued)**

**3.2 Basis of measurement**

These interim condensed 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.

**3.3 Use of estimates**

In the ordinary course of business, the preparation of interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are reviewed and affected in future periods.

**3.4 Functional and presentation currency**

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

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policy information used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the financial statements of the Fund for the year ended 31 December 2023, except for the adoption of amendments to existing standards effective as of 1 January 2024.

**4.1 New standards, interpretations and amendments adopted by the Fund**

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Fund.

**Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the International Accounting Standards Board ("IASB") issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Fund's interim condensed financial statements.

**Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Fund's interim condensed financial statements.



Jadwa REIT Saudi Fund  
(Managed by Jadwa Investment Company)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**4.1 New standards, interpretations and amendments adopted by the Fund (continued)**

***Amendments to IAS 1: Classification of Liabilities as Current or Non-current***

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Fund's interim condensed financial statements.

**4.2 New standards, amendments and interpretations issued but not yet effective**

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

<b><u>Standards / amendments to standards / interpretations</u></b>	<b><u>Effective date</u></b>
<i>Amendment to IAS 21 - Lack of Exchangeability</i>	1 January 2025

In the opinion of the Fund Manager, these standards, amendments to standards and interpretations will clearly not impact the Fund. The Fund intends to adopt these standards, if applicable, when they become effective.

Jadwa REIT Saudi Fund  
(Managed by Jadwa Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**5 INVESTMENT PROPERTIES**

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

**30 June 2024 (Unaudited)**

<i>Description</i>	<i>Cost SR</i>	<i>Accumulated depreciation SR</i>	<i>Accumulated impairment loss SR</i>	<i>Net book value SR</i>
Alyaum Newspaper Tower	281,701,708	18,422,427	73,279,281	190,000,000
Almaarefa University for Science & Technology	206,500,000	18,250,640	-	188,249,360
Al-Sulay Warehouse	226,273,749	35,937,558	-	190,336,191
Marvela Residential Compound	617,927,486	115,540,896	-	502,386,590
Aber Al Yasmin Hotel	34,601,250	2,884,907	-	31,716,343
Olaya Court Tower	60,917,500	5,904,746	-	55,012,754
Boulevard	346,573,350	13,434,255	-	333,139,095
Lafif Complex	129,900,000	888,664	-	129,011,336
Jeddah Land	433,000,000	-	-	433,000,000
	<b>2,337,395,043</b>	<b>211,264,093</b>	<b>73,279,281</b>	<b>2,052,851,669</b>

**31 December 2023 (Audited)**

<i>Description</i>	<i>Cost SR</i>	<i>Accumulated depreciation SR</i>	<i>Accumulated impairment loss SR</i>	<i>Net book value SR</i>
Alyaum Newspaper Tower	281,084,708	17,407,673	61,839,535	201,837,500
Almaarefa University for Science & Technology	203,500,000	16,833,576	-	186,666,424
Al-Sulay Warehouse	226,057,061	33,120,859	-	192,936,202
Marvela Residential Compound	612,074,087	106,608,599	-	505,465,488
Al Fanar Residential Compound	112,791,836	21,045,472	2,448,219	89,298,145
Aber Al Yasmin Hotel	34,601,250	2,574,958	-	32,026,292
Olaya Court Tower	60,917,500	5,270,351	-	55,647,149
Boulevard	346,573,350	10,927,183	-	335,646,167
Lafif Complex	129,900,000	32,913	-	129,867,087
	<b>2,007,499,792</b>	<b>213,821,584</b>	<b>64,287,754</b>	<b>1,729,390,454</b>

- 5.1** The useful lives of the investment properties as estimated by an independent valuator ranging from 30 to 50 years. During the period ended 30 June 2024, the Fund recognised depreciation amounting to SR 19,029,738 (30 June 2023: SR 19,100,952).
- 5.2** Freehold land comprises of the lands acquired on which the buildings are built. As at 30 June 2024 the Fund acquired properties in Riyadh, Al Khobar, Dammam and Jeddah with an aggregate area of 507,770.75 square meters of land (31 December 2023: 354,345.72 square meters).

Jadwa REIT Saudi Fund  
(Managed by Jadwa Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**5. INVESTMENT PROPERTIES (continued)**

**5.3 Brief details of the investment properties:**

**5.3.1 *Alyaum Newspaper Tower***

This property is a 16-storey with 3-level basement, office building located in Al Hussam District, Dammam City.

On 23 June 2024, the Fund entered into a Sale and Purchase Agreement ("SPA") for the Alyaum Newspaper Tower property. In accordance with the terms outlined in the SPA, there is a 60-day grace period from the SPA's signing date to finalize the transaction, accordingly, the transaction has not yet been completed as 30 June 2024.

As at 30 June 2024, the property's carrying value was SR 201,439,745, and the agreed sale price as per SPA was SR 190,000,000. Accordingly, the Fund has recognized an impairment loss of SR 11,439,746 during the period ended 30 June 2024.

**5.3.2 *Almaarefa University for Science & Technology***

This property is a fully constructed educational facility located in Al Diriah District, Riyadh.

**5.3.3 *Al-Sulay Warehouse***

This property is an industrial compound located at the east corner of Haroon Al Rashid Road and Alsafa Street, within Al Sulay District, Riyadh.

**5.3.4 *Marvela Residential Compound***

This property is a residential compound located along the southeast side of King Abdullah Road, within King Faisal District, Riyadh.

**5.3.5 *Al Fanar Residential***

This property is a residential compound located at the southwest corner of King Faisal Road and 1 Street, within Ar Rawabi District, Al Khobar.

On 2 March 2024, the Fund completed the sale process for the Al Fanar Residential Compound property located in Khobar. This transaction was executed in accordance with the terms outlined in the Sale and Purchase Agreement ("SPA"). The completion of this sale included fulfilling all contractual obligations stipulated within the SPA, including the transfer of the property title deed to the buyer. At the date of disposal, the property had a carrying value of SR 88,756,389 and the Fund received the sale proceeds amounting to SR 90,000,000, accordingly, the Fund recognized a gain on disposal amounting to SR 1,243,611.

**5.3.6 *Aber Al Yasmin Hotel***

This property is a hospitality and retail project located in Al Yasmin District, Riyadh.

**5.3.7 *Olaya Court Tower***

This property is an office project occupied by the labour court and located in Al Sahafa District, Riyadh.

**5.3.8 *Boulevard***

This property is a prime commercial and office complex located in Hittin District, Riyadh.

**5.3.9 *Lafif property***

This property is an office complex located in Hittin District, in the northern part of Riyadh.

**5.3.10 *Jeddah Land***

This property is a commercial land located in Al Zahra district, Jeddah.

On 18 February 2024, the Fund acquired Jeddah Land at a purchase consideration of SR 433,000,000, which includes a purchase price of SR 400,000,000 and other direct attributable costs of SR 33,000,000.

Jadwa REIT Saudi Fund  
(Managed by Jadwa Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**5. INVESTMENT PROPERTIES (continued)**

**5.4 Impairment of investment properties**

The investment properties were tested for impairment and the management noted the carrying amount of one property (30 June 2023: two properties) to be higher than the recoverable amount. Accordingly, during the period ended 30 June 2024, the management recognised an impairment loss of SR 11,439,746 (30 June 2023: SR 2,329,402) to adjust the value of its investment properties to their recoverable amounts based on the fair values as of the reporting period determined by the independent evaluators as shown in note 6.

**6 EFFECT ON NET ASSET VALUE IF INVESTMENTS IN REAL ESTATE PROPERTIES ARE FAIR VALUED**

In accordance with Article 35 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, investment in real estate properties is carried at cost less depreciation and impairment, if any, in these interim condensed financial statements.

The fair value of the investment properties is determined by two selected appraisers, i.e., Barcode and Esnad (31 December 2023: Barcode and Esnad). As at reporting date, the valuation of investment properties are as follows:

<b><u>30 June 2024 (Unaudited)</u></b>	<b><i>Appraiser 1</i> <b>SR</b></b>	<b><i>Appraiser 2</i> <b>SR</b></b>	<b><i>Average</i> <b>SR</b></b>
Alyaum Newspaper Tower	190,000,000	190,000,000	190,000,000
Almaarefa University for Science & Technology	235,429,000	212,645,000	224,037,000
Al-Sulay Warehouse	269,540,422	264,017,000	266,778,711
Marvela Residential Compound	625,000,000	625,000,000	625,000,000
Aber Al Yasmin Hotel	46,702,142	46,702,000	46,702,071
Olaya Court Tower	77,021,000	82,523,000	79,772,000
Boulevard	340,107,696	342,907,000	341,507,348
Lafif Complex	148,981,838	158,914,000	153,947,919
Jeddah Land	589,850,629	533,311,000	561,580,815
	<b>2,522,632,727</b>	<b>2,456,019,000</b>	<b>2,489,325,864</b>

<b><u>31 December 2023 (Audited)</u></b>	<b><i>Appraiser 1</i> <b>SR</b></b>	<b><i>Appraiser 2</i> <b>SR</b></b>	<b><i>Average</i> <b>SR</b></b>
Alyaum Newspaper Tower	201,838,000	201,837,000	201,837,500
Almaarefa University for Science & Technology	235,429,000	212,645,000	224,037,000
Al-Sulay Warehouse	267,761,583	262,231,000	264,996,292
Marvela Residential Compound	625,000,000	625,000,000	625,000,000
Al Fanar Residential Compound	88,235,294	90,361,000	89,298,147
Aber Al Yasmin Hotel	46,702,142	46,702,000	46,702,071
Olaya Court Tower	73,720,000	81,429,000	77,574,500
Boulevard	339,183,770	341,446,000	340,314,885
Lafif Complex	143,277,663	152,830,000	148,053,831
	<b>2,021,147,452</b>	<b>2,014,481,000</b>	<b>2,017,814,226</b>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
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**6 EFFECT ON NET ASSET VALUE IF INVESTMENTS IN REAL ESTATE PROPERTIES ARE FAIR VALUED (continued)**

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

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

6.1 The unrealised gain on investment properties based on fair valuation is set out below:

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Fair value of investments properties	<b>2,489,325,864</b>	2,017,814,226
Less: Carrying value of investments properties (Note 5)	<b>2,052,851,669</b>	1,729,390,454
Unrealised gain based on fair valuation	<b>436,474,195</b>	288,423,772
Units in issue	<b>186,509,785</b>	186,509,785
Per unit share in unrealised gain based on fair valuation	<b>2.34</b>	1.55

6.2 The net asset value using the fair values of the investments properties is set out below:

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Net asset value at cost, as presented in these interim condensed financial statements	<b>1,767,457,178</b>	1,830,558,792
Unrealised gain based on fair valuations (Note 6.1)	<b>436,474,195</b>	288,423,772
Net asset based on fair value	<b>2,203,931,373</b>	2,118,982,564

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

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Net asset value per unit, at cost as presented in these financial statements	<b>9.48</b>	9.81
Impact on net asset value per unit on account of unrealised gain based on fair valuations (Note 6.1)	<b>2.34</b>	1.55
Net asset value per unit at fair value	<b>11.82</b>	11.36

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
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**7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
<b>Non-current</b>		
Investment in associate (Note 7.1)	<b>182,815,888</b>	195,827,122

**7.1 Investment in associate**

This represents investment in 12,713,205 units (31 December 2023: 12,713,205 units) in Real Estate Investment Fund, a closed-ended Shariah-compliant private real estate investment fund managed by Jadwa Investment Company, the cost of which is SR 127,132,049 (31 December 2023: SR 127,132,049).

As at 30 June 2024, the Fund holds 28.075% ownership interest in Real Estate Investment Fund (31 December 2023: 28.075%).

The unrealised loss on the investment amounted to SR 13,011,234 for the period ended 30 June 2024 (2023: unrealised loss of SR 5,400,000).

During the six-month period ended on 30 June 2024, the Fund recognised dividend income amounting to SR 3,813,961 (30 June 2023: SR 40,500,000) from its investment in associate.

**8 PREPAYMENTS AND OTHER ASSETS**

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Input value added tax receivable (i)	<b>30,300,000</b>	30,300,000
Accrued finance income	<b>4,625</b>	433,875
Other receivables	<b>277,462</b>	162,494
Advance payment for property acquisition	-	20,000,000
Prepaid insurance	-	201,961
	<b>30,582,087</b>	51,098,330

(i) During 2017, the Fund acquired property from Al-Atheer Company (the "seller") for SR 606,000,000, prior to the implementation of VAT law in the Kingdom of Saudi Arabia which came into effect on 1 January 2018. The related Sale and Purchase Agreement to acquire the property was signed in December 2017 and consideration against the acquisition of property was also paid in December 2017; however, the emended title deed was issued on 1 January 2018. Considering the transaction had already completed during 2017 (except for amendment of title deed), the Fund did not settle any VAT on the acquisition of the said property.

During 2021, ZATCA raised its VAT assessment on the seller whereby a VAT claim amounting to SR 99,746,027 was made which comprised of 5% VAT amount, fines for non-charging of VAT on the related acquisition and fines for late payment of VAT.

In relation to the above assessment, the Fund decided to raise an appeal with ZATCA considering the fact that the transaction was already completed before effective date of VAT Law. In order to be eligible to file an appeal, VAT amounting to 5% of the acquisition price was paid to ZATCA through seller during the year 2021. Considering the final outcome of the appeal was pending as at 31 December 2022, the Fund recorded a provision amounting to SR 15,150,000 during the year ended 31 December 2022.

The Appellate committee completed hearing against the Fund's appeal during the year ended 31 December 2023 and rendered its final verdict in favour of the Fund on 3 January 2024. Accordingly, the Fund reversed previously recognised impairment provision of SR 15,150,000 on 31 December 2023. As at 30 June 2024, the Fund has not yet received the refund from ZATCA.

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**9 RENT RECEIVABLE**

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Rent receivable	<b>60,469,406</b>	32,511,109
Less: - Allowance for expected credit losses	<b>(7,979,557)</b>	(4,565,577)
	<b>52,489,849</b>	27,945,532
Following is the aging analysis of the rent receivables:		
Less than 30 days	<b>5,914,163</b>	5,116,124
Between 31 to 60 days	<b>6,808,756</b>	-
Between 61 to 90 days	<b>6,323,542</b>	-
Between 91 to 120 days	<b>19,248,031</b>	12,103,225
More than 120 days	<b>22,174,914</b>	15,291,760
	<b>60,469,406</b>	32,511,109

**10 CASH AND CASH EQUIVALENTS**

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Cash at bank	<b>9,497,328</b>	35,974,431
Short-term deposits	<b>10,000,000</b>	30,000,000
	<b>19,497,328</b>	65,974,431

As of 30 June 2024, there are bank accounts maintained with Banque Saudi Fransi under the name of the SPVs with a total balance of SR 7,961,858 (31 December 2023: SR 12,261,026).

Short-term deposits represent investment in Murabaha deposits with original maturity period of 90 days.

As at 30 June 2024, the Fund's short-term deposits amounted to SR 10,000,000 (31 December 2023: SR 30,000,000) and carried a profit rate of 5.55% (31 December 2023: 5.85%).

Finance income for the period ended 30 June 2024 amounting to SR 768,022 (30 June 2023: SR Nil), with an accrued finance income amounting to SR 4,625 (30 June 2023: SR Nil).

**11 LONG-TERM LOAN, NET**

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Long-term loan	<b>542,500,000</b>	202,122,500
Less:		
Transaction costs	-	11,750,000
Amortisation of transaction costs	-	(11,750,000)
	-	-
Long-term loan, net	<b>542,500,000</b>	202,122,500

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)**  
**30 June 2024**

**11 LONG-TERM LOAN, NET (continued)**

On 1 October 2018, Banque Saudi Fransi ("BSF") has extended an Islamic finance facility to one of the SPVs, Real Estate Development Areas Company, amounting to SR 1,000,000,000 for the purposes of financing the real estate investments of the Fund. 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.

On 15 March 2022, BSF has increased the limits of the shariah-compliant facility by SR 170,300,000, bringing the total available banking facility amount to SR 1,170,300,000 which carried an annual markup rate of 3 months SIBOR+2% margin.

On 2 August 2023, BSF renewed the said facility with decreasing the limit to SR 1,000,000,000 carrying an annual markup rate of 3 month SIBOR+1.5%.

As of 30 June 2024, the Fund has drawn down SR 542,500,000 (31 December 2023: SR 202,122,500) from the said facility. The Fund can avail the remaining balance against the facility until 2 August 2024 and repayment is due in full on 30 September 2028.

The facility is secured by promissory notes and pledge over the current and future rights and interests in the investment properties of the Fund.

The movement in the long-term loan is as follows:

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
At beginning of the period	<b>202,122,500</b>	453,122,500
Proceeds from loan	<b>340,377,500</b>	202,122,500
Repayment of loans	-	(453,122,500)
At end of the period	<b>542,500,000</b>	202,122,500

Finance charges for the period ended 30 June 2024 amounted to SR 18,068,370 (30 June 2023: SR 16,577,964) which are reflected under the statement of comprehensive income.

Transaction costs charged by BSF for loan servicing amounting to 1.0% of the loan facility amount was amortised over the period of the loan facility.

The movement in the transaction costs is as follows:

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
At beginning of the period	-	1,887,034
Additions during the period	-	-
Amortisation charged during the period	-	(1,887,034)
At end of the period	-	-



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
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**12 ACCRUED EXPENSES AND OTHER LIABILITIES**

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Output value-added tax	1,971,257	198,058
Security deposits	536,085	535,085
Property valuation fees	243,425	206,826
Professional fees	165,602	101,626
Custody fee	80,000	80,000
Independent board member fee	30,000	30,000
Others	1,242,843	1,104,687
Payable for property purchased	-	20,000,000
	<b>4,269,212</b>	<b>22,256,282</b>

**13 GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>For the six-month period ended 30 June</b>	
	<b>2024 (Unaudited) SR</b>	<b>2023 (Unaudited) SR</b>
Property expenses	2,722,042	2,503,082
VAT expense	1,979,382	1,967,259
Transaction fees (note 14.1)	675,000	-
Professional fees (iii)	564,517	143,002
Property management fees (i)	440,561	528,473
Legal fee	249,475	249,025
Insurance	201,961	273,946
Registration fee	200,000	200,000
Administration fees	180,623	182,163
Property valuation expenses	172,900	190,810
Custody fee	160,000	160,000
Tadawul listing fee	149,180	148,767
Audit fee	35,000	20,000
Independent board member fee (ii)	10,000	10,000
Others	118,662	72,351
	<b>7,859,303</b>	<b>6,648,878</b>

- (i) This pertains to fees paid to the property managers for the operation and maintenance of Boulevard and Olaya Court Tower.
- (ii) This pertains to remuneration paid to independent directors of the Fund's Board.
- (iii) This pertains to the accounting fee for the bookkeeping of the Fund and the fee paid to the tax consultant.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
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**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 period:

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transaction</i>	<i>Amount of transactions For the six-month period ended 30 June</i>	
			<i>2024 (Unaudited) SR</i>	<i>2023 (Unaudited) SR</i>
Jadwa Investment Company	Fund Manager	Management fees (i)	<b>8,245,168</b>	7,485,644
		Transaction fee (ii)	<b>675,000</b>	-
Real Estate Development Areas Company	SPV	Finance charges	<b>18,068,370</b>	16,577,964
Real Estate Investment Fund	Associate	Dividend income	<b>3,813,961</b>	40,500,000

**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 the Fund a management fee equal to 0.75% of the net asset market value of the Fund calculated and payable semi-annually in arrears.

As at 30 June 2024, the Fund Manager held 10,558,353 units in the Fund (31 December 2023: 10,558,353 units).

**ii. Transaction fee**

In connection with the sale of the Al Fanar Residential Compound, the Fund Manager charged the Fund a transaction fee of 0.75% of the sale proceeds.

**14.2 Related party balances**

The following are the details of related party balances at the period/year-end:

**a. Amounts due to related parties**

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Real Estate Development Areas Company	<b>2,032,020</b>	966,475
Unitholders' distribution payable	<b>604,217</b>	607,212
Jadwa Investment Company	<b>72,013</b>	72,013
	<b><u>2,708,250</u></b>	<b><u>1,645,700</u></b>

**b. Accrued management fees**

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Jadwa Investment Company	<b><u>8,799,903</u></b>	<b><u>9,625,348</u></b>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
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**15 FAIR VALUE MEASUREMENT**

**15.1 Financial instruments**

Financial assets consist of cash and cash equivalents, rent receivables and other assets. 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 amounts are 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 interest payable on the 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:

<b><u>30 June 2024 (Unaudited)</u></b>	<b><i>Level 1 SR</i></b>	<b><i>Level 2 SR</i></b>	<b><i>Level 3 SR</i></b>	<b><i>Total SR</i></b>
Financial assets at fair value through profit or loss (Note 7)	-	182,815,888	-	182,815,888
<b><u>31 December 2023 (Audited)</u></b>	<b><i>Level 1 SR</i></b>	<b><i>Level 2 SR</i></b>	<b><i>Level 3 SR</i></b>	<b><i>Total SR</i></b>
Financial assets at fair value through profit or loss (Note 7)	-	195,827,122	-	195,827,122

The financial assets at FVTPL which is an investment in private real estate investment fund is determined using unadjusted net asset value

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

**15.2 Non-financial assets**

The following table shows the fair value of investment properties disclosed:

	<b><i>Total SR</i></b>
<b><u>30 June 2024 (Unaudited)</u></b>	
Alyaum Newspaper Tower	190,000,000
Almaarefa University for Science & Technology	224,037,000
Al-Sulay Warehouse	266,778,711
Marvela Residential Compound	625,000,000
Aber Al Yasmin Hotel	46,702,071
Olaya Court Tower	79,772,000
Boulevard	341,507,348
Lafif Complex	153,947,919
Jeddah Land	561,580,815
	<b><u>2,489,325,864</u></b>

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**15 FAIR VALUE MEASUREMENT (continued)**

**15.2 Non-financial assets (continued)**

<u>31 December 2023 (Audited)</u>	<i>Total SR</i>
Alyaum Newspaper Tower	201,837,500
Almaarefa University for Science & Technology	224,037,000
Al-Sulay Warehouse	264,996,292
Marvela Residential Compound	625,000,000
Al Fanar Residential Compound	89,298,147
Aber Al Yasmin Hotel	46,702,071
Olaya Court Tower	77,574,500
Boulevard	340,314,885
Lafif Complex	148,053,831
	<u>2,017,814,226</u>

When the fair value of items disclosed in these interim condensed 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 in establishing fair values. The estimates include capitalisation rate and discount rate.

Changes in assumptions about these factors could affect the fair value of items disclosed in these interim condensed 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 (TAQEEM license number: 1210000934) and Barcode (TAQEEM license number: 1210000001) (31 December 2023: Esnad and Barcode) as disclosed in Note 6. They are accredited independent valuers with a recognised and relevant professional qualification 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 International Valuation Standards Council ("IVSC") and applied by Saudi Authority for Accredited Valuers ("TAQEEM").

The assumptions used in determining the fair values of the investment properties as at 31 December are as follows:

<i>Valuation approach</i>	<i>Key assumptions</i>	<i>Range</i>	
		<i>30 June 2024</i>	<i>31 December 2023</i>
Income capitalisation	Capitalisation rate (%)	<b>7 – 9</b>	7 - 8.5
Discounted cash flow	Discount rate (%)	<b>8 – 10</b>	8 - 10

**16 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.

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**17 DIVIDENDS DISTRIBUTION**

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

**30 June 2024 (Unaudited)**

<i>Dividend declaration date</i>	<i>Dividend period</i>	<i>SR</i>
5 February 2024	From 1 October 2023 to 31 December 2023	<b>37,301,957</b>
14 May 2024	From 1 January 2024 to 31 March 2024	<b>37,301,957</b>
		<b>74,603,914</b>

**30 June 2023 (unaudited)**

<i>Dividend declaration date</i>	<i>Dividend period</i>	<i>SR</i>
7 March 2023	From 1 October 2022 to 31 December 2022	37,301,957
22 May 2023	From 1 January 2023 to 31 March 2023	37,301,957
		<b>74,603,914</b>

**18 SUBSEQUENT EVENTS**

There were no events subsequent to the financial period end which require disclosure in the financial statements.

**19 LAST VALUATION DAY**

The last valuation day of the period was 30 June 2024 (31 December 2023: the last valuation day for the year was 29 December 2023).

**20 APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS**

The financial statements were approved by the Fund's Board on 4 Safar 1446 H (corresponding to 8 August 2024).