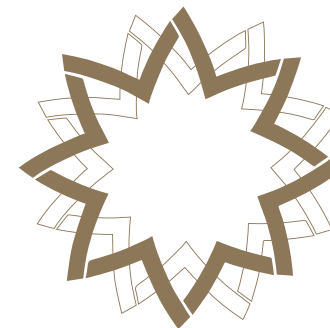


جدوى ريت السعودية
Jadwa REIT Saudi



Annual Report

2024

جدوى للاستثمار
Jadwa Investment



بسم الله الرحمن الرحيم

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reit.jadwa.com



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, First Deputy Prime Minister

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Fund Manager's Message To Unit Holders



Dear valued unit holders

We are pleased to present to you the annual report of Jadwa REIT Saudi Fund for the year 2024 and would like to thank you for your continuous support and trust in the Fund.

The Saudi economy continues to demonstrate resilience, with non-oil GDP growth driving the economy forward. The Kingdom's economy grew by 1.3% in 2024, supported by an expansion in non-oil activities despite a decline in the oil sector. The real estate sector, in particular, experienced robust growth, with residential sales reaching SAR118 billion, a 50% increase compared to 2023. This growth was driven by various factors, including government initiatives to increase homeownership, low interest rates, and a growing population.

Real Estate Activities (which constituted 13.2% of non-oil GDP last year) grew by 2.4% in the year to Q32024, up from 1.2% in full year 2023. Growth continued in various housing projects under the Ministry of Municipalities and Housing' (MOMAH) Sakani program, with more than 80,000 households being provided various home support options in the year to Q32024. Meanwhile, new residential mortgages rebounded in full year 2024 by 16% in volume terms, compared to a decline by 35% in 2023. The latest Saudi Central Bank data shows that new mortgage lending totalled SAR93.6 billion in 2024, up from SAR80.8 billion in 2023.

In 2024, the listed Saudi REIT sector remained under pressure and largely lagged international REITs. The REIT sector was down significantly versus TASI, which was slightly up. The REIT sector remains challenged due to higher interest rates and reallocation of investments to other more attractive sectors and asset classes, combined with a reduction in dividends by several REITs. However, with several major global central banks, including the Saudi Central Bank, now entering a monetary easing cycle, lower interest rates are likely to reduce finance costs for REITs and improve their projected dividend payouts.

It was also a challenging year for Jadwa REIT Saudi Fund. Despite the challenges, however, the fund manager continued with optimization of its assets and investment portfolio. The Net Asset Value per unit at fair value increased to SAR11.83 in 2024 from SAR11.30 in the previous year. The Jadwa REIT Saudi Fund has a portfolio of nine quality assets across different sub-sectors including residential, offices, education

and logistics properties. In 2024, the Fund distributed SAR149.2 million as dividends, and since inception.

During the year, the Fund made an acquisition of a plot of land in Jeddah for SAR433 million and also executed the sale of the Al Fanar Residential Compound located in Khobar for SAR90 million. The sale of the compound was completed by the Fund. This transaction was executed in accordance with the terms outlined in the SPA, 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 Fund recognized a gain on disposal amounting to SAR 1.24 million. The Boulevard's Operator (NMR Real Estate) contract has expired and the Fund has signed a new contract with Sareed as the new operator of the complex to carry out the responsibilities of leasing, marketing, managing, operating and supervising.

The Saudi government's Vision 2030 initiative continues to drive growth and development in the Kingdom. The initiative aims to diversify the economy, reduce dependence on oil exports, and develop various sectors, including tourism, healthcare, and education. Building on its success in earlier years, the government has made significant progress in implementing the initiative, with various projects and initiatives launched in 2025.

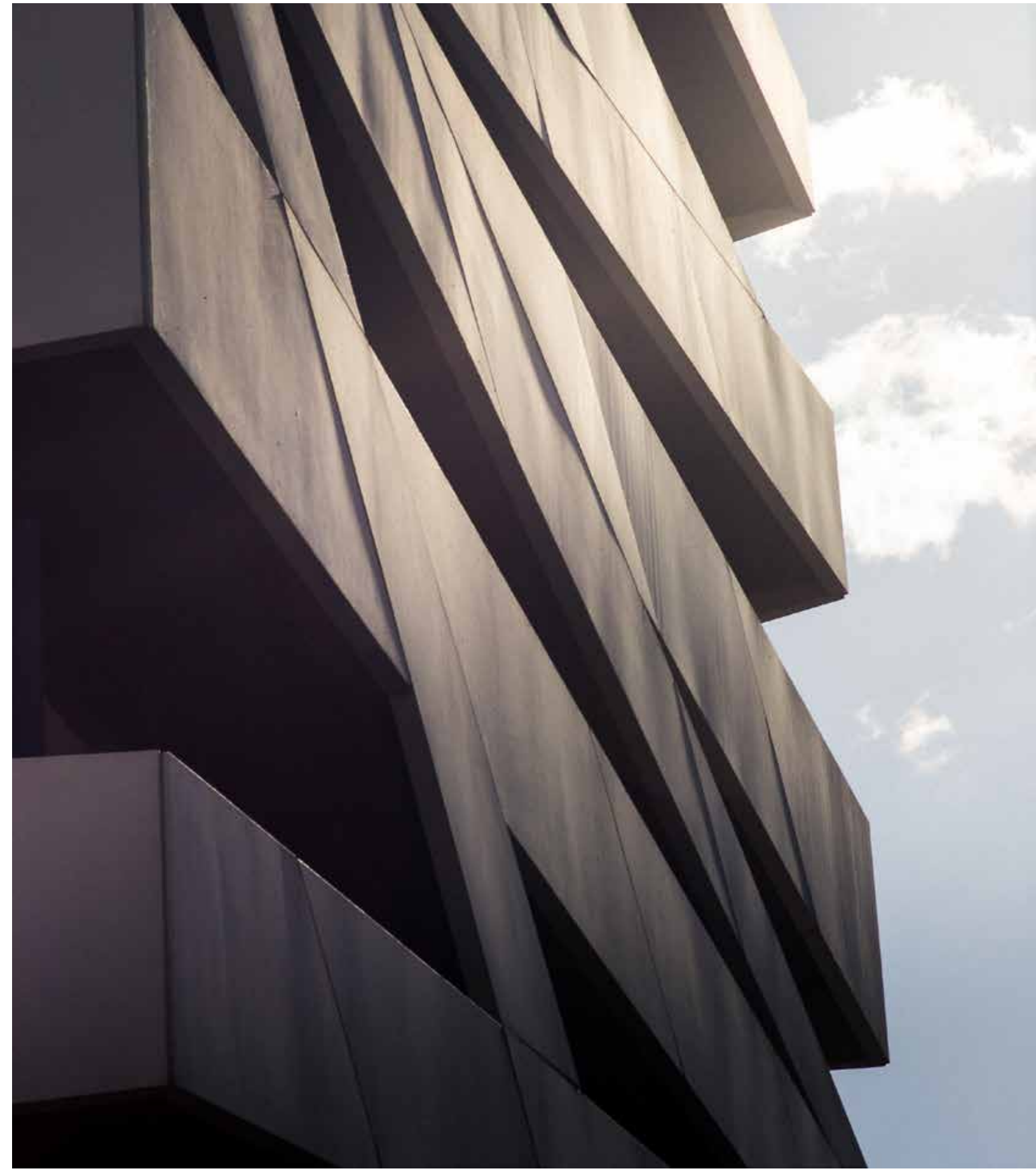
During the year, the residential market across several cities in Saudi Arabia experienced notable growth, with rising property values, increased mortgage activity, and various new project launches. The demand for residential units is being driven by the growing population, urbanization, and government initiatives to increase homeownership. The office market in Riyadh remained buoyant, with rents increasing by 18% year-on-year, driven by demand from global occupiers and limited available office supply.

We are committed to identifying and leveraging emerging opportunities in Saudi Arabia's dynamic economy to drive sustained value for our unitholders. With a readily available credit facility and low leverage, the Fund is flexibly positioned to deploy additional capital, expanding its portfolio through high-quality, accretive acquisitions. We look forward to continued success and collaboration as we navigate the evolving economic landscape, ensuring the Fund remains poised to capitalize on opportunities in the Saudi Arabian real estate market.

Section 1

REIT AT A GLANCE ►

REIT At A Glance



Financial Performance

Portfolio Characteristics

	2022	2023	2024
Number of properties	8	9	9
Sectors	Residential, logistics, Commercial, Retail, Educational, Hospitality	Residential, logistics, Commercial, Retail, Educational, Hospitality	Residential, logistics, Commercial, Retail, Educational, Hospitality
Total Land area (sq. meter)	348,346	354,346	508,111.17
Total BUA	447,655	456,617	619,216.80
Portfolio Occupancy	98.5%	99.0%	99.0%
Number of Tenants	47	64	78
WAULT	4.41	5.81	9.53
Fair Market Value	1,873,163,640	2,017,814,226	2,508,196,355

Fund's Performance

	2022	2023	2024
Net Asset Value (Cost)	1,779,492,303	1,830,558,792	1,737,125,952
Net Asset Value (Fair Value)	2,018,540,178	2,118,982,564	2,206,952,590
Fair Value NAV per unit	10.82	11.36	11.83
Highest Fair Value NAV per unit	11.18	11.36	11.83
Lowest Fair Value NAV per unit	10.82	10.79	11.22
Number of issued units	186,509,785	186,509,785	186,509,785
Distributed Dividends Per Unit	0.80	0.80	0.80
percentage of fund expenses to the fund's total assets value	1.10%	1.37%	1.28%
Annual return	3.57%	12.38%	16.28%
Unearned revenue to revenue	1.1%	2.85%	7.39%
Non cash expenses to net income	82.4%	20.17%	67.93%
LTV	17.82%	8.57%	19.44%
Loan Maturity Date	20/08/2028		

Fund's Returns Profile

2018	2019	2020	2021	2022	2023	2024
16.70%	7.89%	11.37%	2.48%	3.57%	12.38%	16.28%
1-Year return		3-Years return		Since inception returns		
16.28%		31.42%		71.10%		

Annual Fund Expenses

	2024
Management Fee	16,675,608
Registrar Fee	400,000
Listing Fee	300,000
Custodian Fee	320,000
Administrator Fee	361,390
Board Oversight Fee	20,000
Auditor Fee	70,000
Other Fund Fees	11,398,711
Grand Total	29,545,709
percentage of fund expenses to the fund's total assets value	1.28%

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

Property	2022	2023	2024
Al Marefa University	11.5%	10%	9.54%
Marvella Complex	34.9%	31%	28.09%
Al Sulay Industrial Facility	14.0%	12%	11.02%
Al Youm Tower	11.3%	10%	9.07%
Al Fanar Residential Compound	5.2%	5%	0.67%
Labour Court	4.0%	4%	3.42%
Aber Al yasmin hotel	2.1%	2%	1.84%
Riyadh Boulevard	16.9%	17%	16.12%
Lafif Complex	-	8%	5.58%
Jeddah Land	-	-	14.64%

Annual Fund Performance Comparison*

Tadawul All Share Index: a stock market index which tracks the performance of all companies listed on the Saudi Stock Exchange.
Tadawul REITs Index: a stock market index which tracks the performance of all REITs listed on the Saudi Stock Exchange.

Jadwa REIT Saudi Fund	Tadawul All Share Index	Tadawul REITs Index
-19.51%	3.32%	-9.15%

* 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

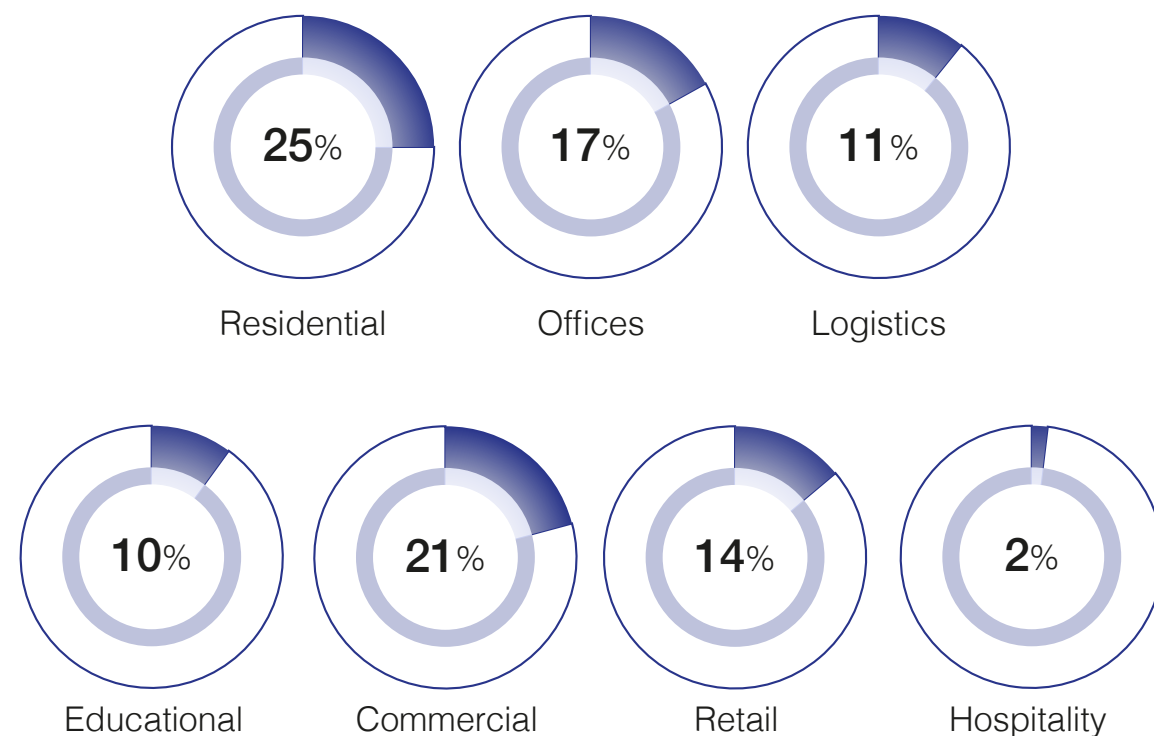
No special commission has been received by the Fund manager during 2024

Section 2

PORTFOLIO DESCRIPTION ►

Portfolio Description

Portfolio Allocation by Sector



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

Targeted Assets by the Fund Manager

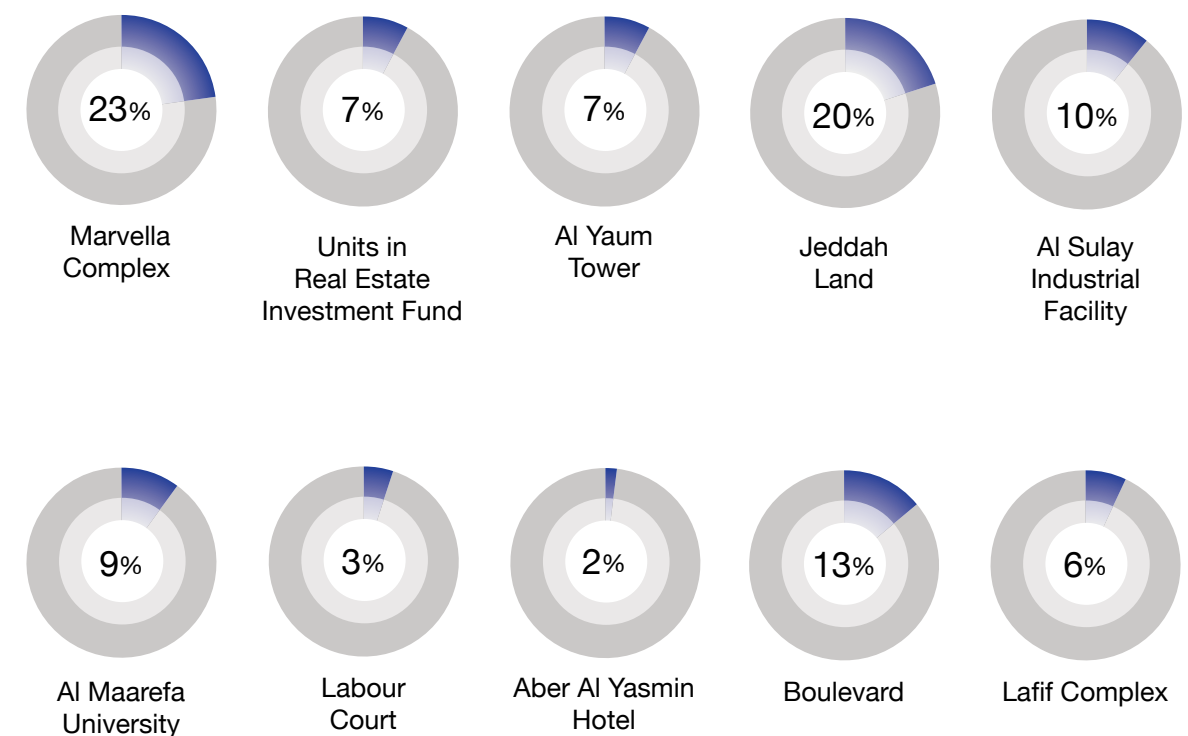
Currently there are no active transactions, however the fund manager is constantly screening for new investments.

Portfolio Occupancy as of 31 December 2024*

99%	Percentage of leased assets to the total portfolio of income generating assets
1%	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 Asset



Eastern Province

Al Yaum Tower



Jeddah

Jeddah Land

Riyadh

Marvella Complex
Al Maarefa University
Al Sulay Industrial Facility
Labour Court
Aber Al Yasmin Hotel
Boulevard Riyadh
Lafif Complex

Al Maarefa University

- Al Maarefa University is a four-story school building with a two-level basement, mezzanine and roof floor built mainly of concrete, with a BUA of approximately 41,830 sq.m.

Location	Al Dereyah, Riyadh
Acquisition Price	200,000,000
Net Acquisition Yield	8.0%
Number of tenants	1
Fair Value Estimation*	243,988,547
Occupancy Rate	100%
Remaining Lease Term	13 years
% of Total Fund Portfolio	9%

*as of 31st Dec 2024



Marvella Complex

- Marvella complex is a mixed-use development compound comprising of 594 residential apartments and 21 retail shops. It consists of several five-story buildings, each with basement parking and built mainly of concrete.
- The compound consists of three types of residential buildings (A, B and C), a commercial building and a mosque, with a total built-up area of 154,282.52 sq.m.

Location	Al Hamra District, Riyadh
Acquisition Price	606,000,000
Net Acquisition Yield	8.3%
Number of tenants	2
Fair Value Estimation*	625,501,107
Occupancy Rate	100%
Remaining Lease Term	3 years
% of Total Fund Portfolio	23%

*as of 31st Dec 2024



Al Sulay Industrial Facility

- This property is an industrial complex with 42 warehouses, office & accommodation buildings, guardhouses, a concrete perimeter wall and an asphalted open area. The total built-up area is 143,400 sq.m.
- The Office & Accommodation Building is a two-story. The ground floor is used for offices, while the first floor is for labor accommodation. The industrial compound is equipped with a firefighting system.

Location	Al Sulay District, Riyadh
Acquisition Price	221,680,000
Net Acquisition Yield	9.0%
Number of tenants	24
Fair Value Estimation*	271,415,319
Occupancy Rate	100%
Remaining Lease Term	5 years
% of Total Fund Portfolio	10%

*as of 31st Dec 2024



Al Yaum Tower

- Al Yaum Tower is a 16-story office building with a three-level basement built mainly of concrete.
- It is newly constructed with the net-leasable area covering 19,861 sq.m.

Location	Al Dammam
Acquisition Price	275,000,000
Net Acquisition Yield	8.7%
Number of tenants	1
Fair Value Estimation*	203,512,735
Occupancy Rate	100%
Remaining Lease Term	2 years
% of Total Fund Portfolio	7%

**as of 31st Dec 2024*



Labour Court

- Labor Court Olaya building is an eight-story with two level basement parking, mainly built of reinforced concrete structure with glass and aluminum cladding façade exterior wall.
- The office building was built on a land with an area of 3,300 square meters. It was reportedly constructed circa 1438 hijri with a total built-up area of 8,312 square meters.

Location	Riyadh
Acquisition Price	59,000,000
Net Acquisition Yield	10.2%
Number of tenants	1
Fair Value Estimation*	84,946,865
Occupancy Rate	100%
Remaining Lease Term	4 months
% of Total Fund Portfolio	3%

*as of 31st Dec 2024



Aber Al Yasmin Hotel

- Aber Al Yasmin Hotel is a two-story with mezzanine and basement parking, mainly built of reinforced concrete structure with glass panel and concrete exterior wall.
- The building was built on a land with an area of 3,640 square meters. It was reportedly constructed circa 1438H hijri with a total built-up area including the basement of 6,405 square meters. The hotel occupied 4,172 square meters of the GLA and the retail GLA vacancy is 2,007 square meters that includes mezzanine.

Location	Riyadh
Acquisition Price	34,000,000
Net Acquisition Yield	9.1%
Number of tenants	2
Fair Value Estimation*	50,196,578
Occupancy Rate	100%
Remaining Lease Term	6 years
% of Total Fund Portfolio	2%

*as of 31st Dec 2024



Units in Real Estate Investment Fund

- Real Estate Investment Fund, a closed-ended Shariah-compliant real estate investment fund. The objective of Real Estate Investment Fund is to provide investors with a stable stream of income and capital appreciation in the medium and long term through the acquisition of income-generating real estate assets in the Kingdom of Saudi Arabia.
- Real Estate Investment Fund has a term of 10 years, which can be extended for two additional periods of five years each.
- Real Estate Investment Fund acquisitions were funded by accepting in-kind and cash subscriptions in the amount of 1.6 billion Saudi riyals, and the remainder was funded by obtaining bank loans amounting to 1.3 billion Saudi Riyals from Saudi banks for a period of five years, provided that the full amount of the financing is to be paid at the end of the fifth year.
- The portfolio of assets for Real Estate Investment Fund comprises of 3 income-generating properties which are: REIF Flats, Seven commercial, office and service towers in the "Laysen Valley" project.

Value of Investment	190,198,547*
Number of Underlying Properties	2
% of Total Fund Portfolio	7%

* We received capital repayments and capital gain distributions



Riyadh Boulevard

- A mixed-use retail project between retail, restaurants, offices and a hotel located in the Hittin district, Riyadh, with a total built-up area of 35,992 square meters. It overlooks directly on the main road (Prince Turki Ibn Abdulaziz I Road)

Location	Riyadh
Acquisition price	320,000,000
Net Acquisition Yield	7.7%
Number of Tenants	37
Fair Valuation Estimation*	341,585,342
Occupancy Rate	94%
Remaining lease term	4 years
% of total Fund portfolio	13%

**as of 31st Dec 2024*



Lafif Complex

- An office complex project comprises 16 villa offices with a tote built-up area of 8,600 square meters.

Location	Riyadh
Acquisition price	120,000,000
Net Acquisition Yield	10%
Number of Tenants	9
Fair Valuation Estimation*	162,639,479
Occupancy Rate	100%
Remaining lease term	4 years
% of total Fund portfolio	6%

*as of 31st Dec 2024



Jeddah Land

- Jeddah Land is a rented plot of land, spanning 161,276.43 m², with the Cenomi Mall at its center and several showrooms surrounding it. The plot, offering great accessibility, is situated on Prince Sultan Street.

Location	Jeddah
Acquisition Price	433,000,000
Net Acquisition Yield	6.92%
Number of tenants	1
Fair Value Estimation*	538,395,005
Occupancy Rate	100%
Remaining Lease Term	22 years
% of Total Fund Portfolio	20%

*as of 31st Dec 2024



Section 3

RISK REPORT ►

Jadwa REIT Saudi

Fund Risk Report

Fund Details

Fund Name	Jadwa REIT Saudi Fund
Fund Manager	Jadwa Investment Company
Listing Exchange	Tadawul (Saudi) Stock Exchange in February 2018
Type of Fund	Closed-ended Shariah Compliant
Authorized Capital	SAR 1,850,000,000 (186,509,785 units)
Fair Value NAV per unit	11.83 (as of 31 Dec 2024)
No. of Properties	9
Fund Term	99 Years, extendable for additional periods
Risk Level	Medium / High

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 cancelation 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 personnel 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. Out of 9 properties, 8 properties have remaining lease of more than 2 years with the Fund Manager continuously looking to engage in long term leases ranging between 3 and 20 years.
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.	Currently, all the properties owned by the Fund are fully developed. Thereby there is no development risk exposure towards the Fund.
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 any 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 raise financing from market to continue/expand its operation.	The Fund has a committed SAR 1 billion credit line facility from Banque Saudi Fransi out of which SAR 542 million is utilised, which assures 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 with lease terms ranging between 3 and 20 years. Out of 9 properties, 8 properties have remaining lease of more than 2 years. These operating leases provide the Fund Manager with provisions for contractual increase in the rent.
Risk of neglecting the property	Any adverse event leading to structural damage to 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.

Jadwa REIT Saudi Fund Risk Report

Key Risks

Risk Type	Risk Description	Risk Mitigation
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 5 properties are single tenant properties with different lessees and rest 4 properties are multiple tenant properties. The counterparty concentration risk is low and is further 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 location has trouble in future.	The Fund has diversified the real estate assets across office, residential and commercial properties used for hospitality, education, logistics and retail. For diversification, The Fund has invested in another real estate investment Fund which generates dividend showing diversification of income sources. The Fund Manager continuously explores various options for diversification.
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 Manager analyses its interest rate exposure on a regular basis by monitoring interest rate trends and believes that the impact of such changes is not significant to the Fund. The Fund is leveraged using a floating rate facility (priced at a SAIBOR + 150bps) 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 to repay debt or reinvest the proceeds to buy a better yielding asset.

Risk Type	Risk Description	Risk Mitigation
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. The Fund has unutilised credit line of SAR 458 million with bank which partly mitigate the liquidity risk.
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 31/12/2024).
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 valutors for valuation of the properties to reduce the risk of inaccurate valuation. Moreover, valuations are carried out by two independent valutors accredited by the Saudi Authority for Accredited Valutors (TAQEEM). The Fund Manager uses the average of two valuations for reporting and decision making.
Dividend fluctuations risks	According to the Fund's policy, it shall distribute 90% of its net profits to unitholder, although there is no guarantee about the actual amounts that are distributed by the Fund. The Fund may see any unforeseen events which will lead to decrease in Fund's net income resulting in affecting the dividend amount for unitholders.	The Fund Manager always seek to raise the Fund's net income to ensure the highest possible dividends, while studying future dividends and their timing to reduce the risk related to dividend fluctuations.
Environmental, Social & 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 in the valuation processes by the independent valutors. The increased awareness of 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 Saudi Fund Risk Report

Conclusion

The Jadwa REIT Saudi Fund is exposed to various risks as identified above which may impact the performance of the Fund. These risks have been mitigated by the actions taken by the Fund Manager to some extent. The Fund Manager is continuously exploring new investments and diversification opportunities to provide a stable stream of income to the investors.

Over the years, The Fund has diversified the tenants to lower the concentration of income from single tenant. In addition to this, The Fund has diversified between commercial, industrial, and residential properties, which lowers the sector concentration risk of the Fund. In the current year, the Fund Manager has sold one asset and purchased another asset with long term lease. Unutilized credit facility of SAR 458 million helps the Fund maintain a flexible balance sheet for acquiring new assets swiftly and efficiently.

The Fund's performance in 2024 continuous to remain similar to the performance in 2023. Overall risk of the Fund has remained as "**Medium / High**".

Section 4

FUND GOVERNANCE ►

Jadwa REIT Saudi Fund Governance

About the REIT

The Jadwa REIT Saudi 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.

Name	Jadwa Investment Company
Address	Sky Towers, Fourth Floor, King Fahad 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 82.8 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.

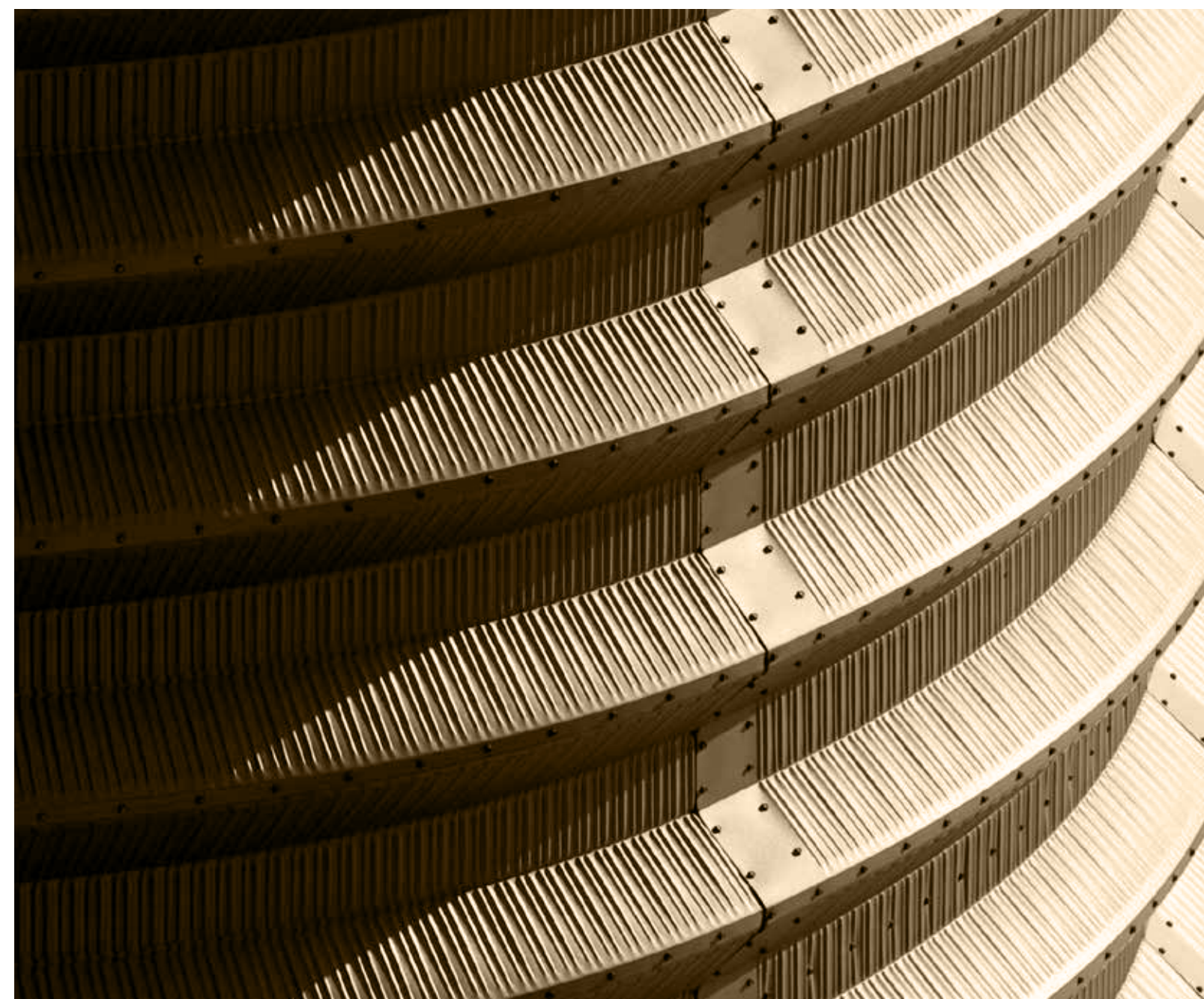
Jadwa Investment Company is also the Fund administrator. However, Jadwa has delegated certain administrative functions to Apex Fund Services (Dubai) Ltd to enhance the performance of the REIT.

Fund Manager's Investment:

The fund manager owns 10,558,353.00 units, which represents 5.66%.

Changes in the Fund's Terms and Conditions:

None.



Jadwa REIT Saudi 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	Sky Towers, Fourth Floor, King Fahad 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.esnadrealstate.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, 2024, there are no transactions involving material conflicts of interest between Jadwa REIT Saudi 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 Saudi Fund Governance

Material Changes

- On 18/02/2024G, Jadwa Investment Company has announced the completion of the sale process and transferring the title deed for a leased land located in Jeddah on Prince Sultan bin Abdulaziz Road in Al Zahra district to the Fund on 08/08/1445H corresponding to 18/02/2024G. It is expected that the result of this transaction will be positive on the Fund's financial performance in the second quarter of 2024 in the event that this transaction is completed.
- 2- On 28/02/2024G, Jadwa Investment Company has announced the completion of the sale process and transferring the title deed for Al Fanar Residential compound located in in Khobar to the buyer after fulfilling sale and purchase agreement terms and receiving the sale proceeds to the fund on 08/18/1445H corresponding to 28/02/2024G. It is expected that the impact will be positive on the fund as the financial impact of the sale will be included in the fund's financial statements for the first half of this year 2024G. On 28/02/2024G, corresponding to 08/18/1445H, Jadwa Investment Company announces the completion of the sale process and the transfer of the title deed of Al Fanar Residential Compound to the buyer after fulfilling the terms of the sale and purchase agreement. The sale proceeds were received by the fund for a total amount of SAR 90,000,000.
- On 30/06/2024G, Jadwa Investment Company has announced the signing of sale and purchase agreement for Al Yaum Tower (the "property") located on King Fahad Road in Dammam on 24/12/1445H corresponding 30/06/2024G, after obtaining the approval of the fund board on the property sale plan. The sale price is SAR 190,000,000 (excluding Real Estate Transaction Tax). It is worth noting that the fund had acquired the property in February 2018 and enjoyed a total rent income of SAR 124,800,000, resulting in an average yield of 7.57% over this period. This sale process provides more flexibility for the fund and its financial position, as it is possible to use the proceeds of the sale for many options, for example, but not limited to: Acquire more accretive income-generating real estate assets; partially pay-off the existing bank facilities, which will alleviate the financial liabilities of the Fund. The Fund Manager has confirmed that there is no related party involved in this sale process. The transaction is expected to have a positive long-term impact on the Fund's performance. On 01/07/2024G, Jadwa Investment Company has an addendum Announcement for sale and purchase agreement of Al Yaum Tower (the "property") The property was acquired in February 2018 for SAR 275,000,000.

The difference between the acquisition price and the announced sale price is -30.91%, According to the latest financial statements, the book value of the property is SAR 201,837,500. The difference between the book value and the announced sale price is -5.86%. The Fund received total rental income SAR 124,800,000 from the property. If the sale process is completed, the financial impact will be negative on the financial statements in the short term, as losses amounting to SAR (11,093,711) will be recorded. The loss per unit is (0.06).

- On 16/10/2024G, Jadwa Investment Company, in its capacity as the fund manager of Jadwa REIT Saudi Fund (the "Fund") announces the expiration of the contract for the management, operation and leasing of Riyadh Boulevard Complex (the "Complex") with NMR Real Estate Company, and signing a new management, operation and leasing agreement for the Complex with Sareed Development and Real Estate Investment Company as the new operator of the Complex, to carry out the responsibilities of leasing, marketing, managing, operating and supervising the maintenance of the complex. The Contract term is three years and two Gregorian months, and the Contract term begins on 29/10/2024G. The Fund Manager also confirms that there is no related party regarding the appointment of the New Operator. It is expected that this shall have a positive impact on the Fund's financial results in the second quarter of the year 2025.

Jadwa REIT Saudi Fund Governance

Fund's Board

The Fund Board oversees the resolution of conflicts of interests. As at December 31, 2024, 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.

Fund Board Meeting

Board Meetings Jadwa REIT Saudi Fund 2024

The First meeting was conducted in May 2024

The following topics have been discussed:

- A brief on the general performance of REIT market in Saudi Arabia during the first half of 2024.
- Fund financial performance during the first half of 2024.

The Second meeting was conducted in December 2024

The following topics have been discussed:

- A brief on the general performance of REIT market in Saudi Arabia during the year 2024.
- Fund financial performance during the second half of 2024.

Resolutions signed during the year of 2024:

- Approval of the annual financial statements for Jadwa REIT Saudi Fund for the year ending on 31 December 2023.
- Approval of the termination of the existing Boulevard operator.
- Approval of appointing new operator for the Boulevard.
- Approval of selling Al youm tower for 190 million.
- Approval of the annual financial statements for Jadwa REIT Saudi Fund for the year ending on 30 June 2024.

Jadwa REIT Saudi 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 senior economist part of the Jadwa research team. Prior to joining Jadwa, Dr. Nouf was an economics lecturer at Prince Sultan University specializing and teaching Business, Micro and Macroeconomics and monetary banking. From 2009 to 2011, she worked at Riyadh Bank quickly being promoted from senior planning analyst to the bank acting chief economist from December 2007 to November 2008. Dr. Nouf holds a PHD from Sussex University department of economics from Falmer, United Kingdom, in addition to a master and bachelors from King Saud University from the college of Business Administration, Riyadh, Saudi Arabia.

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)

Mr. Nader Al Amri is the executive and founding partner of First Avenue 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 majoring in Economics from Saint Mary's University in Canada, in addition to a Masters degree in Economics from the University of Waterloo in Canada. Mr. Nader holds other degrees in real estate management, finance, design and leadership from Harvard Labor College in the United States, also holds a professional certificate in real estate finance and investment from the University of New York 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 Saudi 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 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.

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.

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

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

31 DECEMBER 2024

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)

FINANCIAL STATEMENTS

31 December 2024

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Alluhaid & Alyahya Chartered Accountants
A Limited Liability Company
Paid up capital SR 100,000 - CR:1010468314
Kingdom of Saudi Arabia Riyadh King Fahd Road
Muhammadiyah District, Grand Tower 12 th Floor

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

Opinion

We have audited the accompanying financial statements of Jadwa REIT Saudi Fund (the "Fund") managed by Jadwa Investment Company (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2024, 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 2024, 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
Assessing Impairment of Investment Properties The Fund owns a portfolio of investment properties comprising of land and commercial buildings being located in the Kingdom of Saudi Arabia. Investment properties are held for capital appreciation and/or rental yields and are stated at cost less accumulated depreciation and any impairment losses. As at 31 December 2024, the carrying value of investment properties was SR 2,038 million (2023: SR 1,729 million) which was net of accumulated depreciation of SR 230 million (2023: 214 million) and an accumulated impairment allowance of SR 72 million (2023: SR 64 million).	<ul style="list-style-type: none">- We have 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, with the help of our independent expert, we performed the following:



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INDEPENDENT AUDITOR'S REPORT (continued) To the Unitholders of Jadwa REIT Saudi 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 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">o We assessed the appropriateness of valuation methods, assumptions, and estimates used by management in the process of impairment of investment properties;o We engaged in discussions with management and assessed the relevant assumptions used based on market data where possible;o We tested the appropriateness of the key assumptions used in the valuation of investment properties, such as estimated rental value and yield profile applied;- 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 methods, judgment, assumptions and estimates used in the valuation.

Other Information included in the Fund's 2024 Annual Report

The Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's 2024 annual report other than the financial statements and our auditor's report thereon. The Fund's 2024 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 2024 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



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INDEPENDENT AUDITOR'S REPORT (continued)
To the Unitholders of Jadwa REIT Saudi 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 the information memorandum, 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 Saudi 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: 26 Ramdan 1446 H
(26 March 2025)



Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	2024 SR	2023 SR
ASSETS			
NON-CURRENT ASSETS			
Investment properties	6	2,038,369,717	1,729,390,454
Financial assets at fair value through profit or loss ("FVTPL")	8	185,557,363	195,827,122
TOTAL NON-CURRENT ASSETS		2,223,927,080	1,925,217,576
CURRENT ASSETS			
Prepayments and other assets	9	839,357	51,098,330
Rent receivables	10	26,273,946	27,945,532
Cash and cash equivalents	11	57,748,746	65,974,431
TOTAL CURRENT ASSETS		84,862,049	145,018,293
TOTAL ASSETS		2,308,789,129	2,070,235,869
LIABILITIES			
NON-CURRENT LIABILITY			
Long-term loan	12	542,500,000	202,122,500
CURRENT LIABILITIES			
Due to related parties	14	2,649,898	1,645,700
Contract liability		13,143,530	4,027,247
Accrued management fees	14	9,246,046	9,625,348
Accrued expenses and other liabilities	13	4,123,703	22,256,282
TOTAL CURRENT LIABILITIES		29,163,177	37,554,577
TOTAL LIABILITIES		571,663,177	239,677,077
EQUITY			
Net assets attributable to unitholders		1,737,125,952	1,830,558,792
TOTAL LIABILITIES AND EQUITY		2,308,789,129	2,070,235,869
Units in issue (in units)	16	186,509,785	186,509,785
Per unit value		9.31	9.81
Per unit fair value	7	11.83	11.36

The attached notes 1 to 25 form an integral part of these financial statements.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Notes	2024 SR	2023 SR
REVENUE			
Rental income from investment properties	18	177,968,998	141,254,094
Dividend income	8	3,813,961	54,000,000
Finance income	11	1,693,002	1,101,322
Gain on disposal of investment properties	6	1,243,611	-
Unrealised (loss)/gain on financial assets at FVTPL	8	(10,269,759)	46,065,567
Realised gains on financial assets at FVTPL	8	-	40,793,665
		174,449,813	283,214,648
EXPENSES			
Depreciation	6	(37,887,409)	(38,500,806)
Management fees	14	(16,675,608)	(16,012,463)
Amortisation of transaction cost	12	-	(1,887,034)
(Charge)/reversal of impairment on rental income and other assets	9,10	(3,413,979)	15,150,000
General and administrative expenses	15	(12,870,101)	(12,410,667)
		(70,847,097)	(53,660,970)
OPERATING PROFIT		103,602,716	229,553,678
Other income		1,143,928	-
Finance charges	12,14	(38,557,203)	(28,057,507)
PROFIT FOR THE YEAR		66,189,441	201,496,171
Impairment loss on investment properties	6	(10,414,453)	(1,221,854)
NET INCOME FOR THE YEAR		55,774,988	200,274,317
Other comprehensive income		-	-
TOTAL COMPREHENSIVE /INCOME FOR THE YEAR		55,774,988	200,274,317

The attached notes 1 to 25 form an integral part of these financial statements.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Notes	2024 SR	2023 SR
OPERATING ACTIVITIES			
Net income for the year		55,774,988	200,274,317
<i>Adjustments for non-cash and other items:</i>			
Depreciation on investment properties	6	37,887,409	38,500,806
Impairment loss on investment properties	6	10,414,453	1,221,854
Gain on disposal of investment properties		(1,243,611)	-
Amortisation of transaction cost	12	-	1,887,034
Finance charges	12,14	38,557,203	28,057,507
Charge/(reversal) of impairment on rent receivables and other assets	9,10	3,413,979	(15,150,000)
Unrealised loss/(gain) on financial assets at FVTPL	8	10,269,759	(46,065,567)
Realised gains on financial assets at FVTPL		-	(40,793,665)
Finance income		(1,693,002)	(1,101,322)
		153,381,178	166,830,964
<i>Changes in operating assets and liabilities:</i>			
Prepayments and other assets		29,843,154	(20,286,242)
Rent receivables		(1,742,393)	40,660,425
Due to related parties		91,423	(38,476,475)
Contract liability		9,116,283	2,337,994
Accrued management fees		(379,302)	(6,597,626)
Accrued expenses and other liabilities		(18,132,579)	16,879,242
		172,177,764	161,348,282
Finance charges paid		(37,644,428)	(27,804,507)
Finance income received		2,108,821	667,447
Net cash flows from operating activities		136,642,157	134,411,222
INVESTING ACTIVITIES			
Additions to investment properties	6	(426,037,514)	(134,997,349)
Proceed from disposal of investment properties		90,000,000	-
Proceed from disposal of financial assets at FVTPL		-	421,132,110
Net cash flows (used in)/from investing activities		(336,037,514)	286,134,761
FINANCING ACTIVITIES			
Distributions	21	(149,207,828)	(149,207,828)
Additions to long-term loan	12	340,377,500	202,122,500
Repayment of long-term loan	12	-	(453,122,500)
Net cash flows from/(used in) financing activities		191,169,672	(400,207,828)
Net (decrease)/increase in cash and cash equivalents		(8,225,685)	20,338,155
Cash and cash equivalents at beginning of the year		65,974,431	45,636,276
Cash and cash equivalents at end of the year		57,748,746	65,974,431
NON-CASH TRANSACTIONS			
Additions to investment properties	6,9	20,000,000	-

The attached notes 1 to 25 form an integral part of these financial statements.

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Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Notes	2024 SR	2023 SR
Equity attributed to the Unitholders at beginning of the year		1,830,558,792	1,779,492,303
Comprehensive income			
Net income for the year		55,774,988	200,274,317
Other comprehensive income for the year		-	-
Total comprehensive income for the year		55,774,988	200,274,317
Distributions	21	(149,207,828)	(149,207,828)
Equity attributed to the Unitholders at end of the year		1,737,125,952	1,830,558,792
Transactions in units for the year ended are summarised as follows:			
	Notes	2024 Units	2023 Units
Units at the beginning and at the end of the year	16	186,509,785	186,509,785

The attached notes 1 to 25 form an integral part of these financial statements.

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**Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)****NOTES TO THE FINANCIAL STATEMENTS
31 December 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 are traded on Tadawul in accordance with its rules and regulations. The Capital of the Fund is SR 1,865,097,850 divided into 186,509,785 units (2023: SR 1,865,097,850 divided into 186,509,785 units). 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 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.

During the year ended 31 December 2024, the Fund Manager entered into a management and operation contract with Sareed Development and Real Estate Investment Company to manage and operate Boulevard Complex. The contract also includes the responsibilities of marketing, maintenance and supervision of the property.

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 financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards, as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

**Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)****NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024****3 BASIS OF PREPARATION (continued)****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 ("SR"), which is the functional currency of the Fund. All financial information has been rounded off to the nearest SR.

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 judgments 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 Continued 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-tax 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.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Impairment of investment properties (continued)

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.

Impairment of financial assets held at amortised cost

The Fund recognizes 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 cash flows 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 rents receivable and amounts due from a related party as financial assets carried at amortised cost. For rental income receivables and contract assets, the Fund applies a simplified approach in calculating ECLs. Therefore, the Fund does not track changes in credit risk but instead recognizes 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 rental income receivables is disclosed in note 10 in these financial statements.

Fair value measurement

The Fund measures its investments in mutual fund at fair value at each reporting 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 the asset or liability. The principal or the most advantageous market must be accessible to the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial 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.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies used in the preparation of these financial statements are as follows:

5.1 Investment properties

Investment properties comprise 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 27 to 48 years.

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

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

For the purposes of cash flows statement, cash and cash equivalents consists of bank balances and short term deposits having original maturity of less than or equal to 90 days.

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, fair value through other comprehensive income ("FVOCI") 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 measured at amortised cost include cash and cash equivalents, rent receivables and other receivables.

In accordance with the exemption in IAS 28 Investments in Associates and Joint Ventures, the Fund has elected to measure its investment in associates at FVTPL.

The Fund has no financial assets measured at FVOCI.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)
NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.4 Financial instruments (continued)

5.4.2 Financial assets – subsequent classification and measurement (continued)

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.

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 expired.

The Fund's financial liabilities include long-term loan, contract liabilities, due to related parties, management fee 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.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)
NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.4 Financial instruments (continued)

5.4.5 Modification of financial assets and financial liabilities

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.

5.5 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 the 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.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)
NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.6 Fair value measurement (continued)

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.

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 are discussed in Note 7.

5.7 Provisions

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 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.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services, this consideration may include discounts. The Fund does not have contracts where the period between the performance of the service to the customer and the payment by the customer exceeds one year, and as a result, the Fund does not adjust transaction price for the time value of money.

Rental income from operating lease of properties is recognised on a straight-line basis over the term of the operating lease.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)
NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.9 Management fees

Management fees are charged by the Fund Manager at the rate of 0.75% per annum of the Fund's net asset market value. Management fees are calculated and payable semi-annually in arrears.

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 Units in issue

The Fund has units in issue. On liquidation of the Fund, the unitholders are entitled the holders to the residual net assets. They rank pari passu in all respects and have identical terms and conditions. The units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets in the event of the Fund's liquidation.

5.13 Zakat

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

5.14 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.

5.15 Amendments to existing standards effective 1 January 2024

The Fund applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated).

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

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.

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

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.15 Amendments to existing standards effective 1 January 2024 (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.

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

5.16 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:

<u>Standards/amendments to standards/interpretations</u>	<u>Effective date</u>
Amendment to IAS 21 - Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

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 and endorsed by SOCPA.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

6 INVESTMENT PROPERTIES

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

31 December 2024

Description	Cost SR	Accumulated depreciation SR	Impairment loss SR	Net book Value SR
Alyaum Newspaper Tower	281,701,708	19,447,720	72,253,988	190,000,000
Almaarefa University for Science & Technology	206,500,000	19,716,871	-	186,783,129
Al-Sulay warehouse	226,273,749	38,788,354	-	187,485,395
Marvela Residential Compound	621,277,913	124,701,752	-	496,576,161
Aber Al Yasmin Hotel	34,601,250	3,198,261	-	31,402,989
Olaya Court Tower	60,917,500	6,546,112	-	54,371,388
Boulevard	346,573,350	15,968,876	-	330,604,474
Lafif Property	129,900,000	1,753,819	-	128,146,181
Jeddah Land	433,000,000	-	-	433,000,000
	<u>2,340,745,470</u>	<u>230,121,765</u>	<u>72,253,988</u>	<u>2,038,369,717</u>

On 25 April 2023, the Fund entered into a Sale and Purchase Agreement for the acquisition of leased commercial land located in Jeddah, Prince Sultan bin Abdulaziz Road, Al Zahra District, covering a total area of 161,276 sqm. As of 31 December 2023, the legal formalities required to complete the transaction were not accomplished. However, on 18 February 2024, the legal formalities were completed and the Fund acquired the Land for a total purchase consideration of SR 433,000,000. This amount comprises of purchase price amounting to SR 400,000,000 and other directly attributable costs amounting to SR 33,000,000.

On 2 March 2024, the Fund completed the sale process for 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.

31 December 2023

Description	Cost SR	Accumulated depreciation SR	Impairment loss SR	Net book Value SR
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	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
	<u>2,007,499,792</u>	<u>213,821,584</u>	<u>64,287,754</u>	<u>1,729,390,454</u>

On 7 November 2023, the Fund acquired Lafif property at a purchase consideration of SR 129,900,000, which includes purchase price of SR 120,000,000 and other direct attributable cost of SR 9,900,000.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

6 INVESTMENT PROPERTIES (continued)

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

	2024 SR	2023 SR
Cost		
Balance at beginning of the year	2,007,499,792	1,872,502,443
Additions during the year	446,037,514	134,997,349
Disposals during the year	(112,791,836)	-
Balance at end of the year	2,340,745,470	2,007,499,792
Accumulated depreciation		
Balance at beginning of the year	213,821,584	175,320,778
Depreciation charge for the year	37,887,409	38,500,806
Depreciation related to disposals	(21,587,228)	-
Balance at end of the year	230,121,765	213,821,584
Accumulated impairment		
Balance at beginning of the year	64,287,754	63,065,900
Impairment of investment properties	10,414,453	1,221,854
Impairment on disposed properties	(2,448,219)	-
Balance at end of the year	72,253,988	64,287,754
Net book value	2,038,369,717	1,729,390,454

During the year ended 31 December 2024, the Fund entered into a Sale and Purchase Agreement (SPA) to sell Alyaum Newspaper Tower for SR 190,000,000. However, the parties later mutually agreed to cancel the agreement. As a result, the agreement was rescinded with no penalties or financial implications arising from the cancellation.

The cancellation of the agreement does not impact the financial position or performance of the Fund as of and for the year ended 31 December 2024.

Management, however, determined that the agreed transaction price provided a reliable indication of the property's fair value. Consequently, the carrying amount of the property was reduced from SR 200,414,453 to SR 190,000,000 resulting in an impairment loss amounting to SR 10,414,453.

The useful lives of the investment properties as estimated by independent valuers range from 30 to 50 years. During the year ended 31 December 2024, the Fund recognised depreciation amounting to SR 37,887,409 (2023: SR 38,500,806).

Freehold land comprises of the lands acquired on which the buildings are built. The Fund acquired properties in Riyadh, Dammam and Jeddah with an aggregate area of 508,171.17 square meters of land (31 December 2023: 354,345.72 square meters).

6.1 Brief details of the investment properties:

6.1.1 Alyaum Newspaper Tower

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

6.1.2 Almaarefa University for Science & Technology

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

6.1.3 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.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

6 INVESTMENT PROPERTIES (continued)

6.1 Brief details of the investment properties: (continued)

6.1.4 Marvela Residential Compound

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

6.1.5 Aber Al Yasmin Hotel

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

6.1.6 Olaya Court Tower

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

6.1.7 Boulevard

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

6.1.8 Lafif property

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

6.1.9 Jeddah Land

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

6.2 Impairment of investment properties

The investment properties were tested for impairment and as explained above, the management noted the carrying amount of one property (31 December 2023: two properties) to be higher than the recoverable amount. Accordingly, during the year ended 31 December 2024, the management recognised an impairment of SR 10,414,453 (2023: SR 1,221,854) 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.

7 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, in accordance with the requirement of CMA in the Kingdom of Saudi Arabia, investment in real estate properties is carried at cost less depreciation and impairment, if any, in these financial statements. Accordingly, the fair value below is disclosed for information purposes and has not been accounted for in the Fund's books.

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

31 December 2024	Appraiser 1 SR	Appraiser 2 SR	Average SR
Alyaum Newspaper Tower	190,000,000	190,000,000	190,000,000
Almaarefa University for Science & Technology	252,548,093	235,429,000	243,988,547
Al-Sulay warehouse	278,813,638	264,017,000	271,415,319
Marvela Residential Compound	626,002,213	625,000,000	625,501,107
Aber Al Yasmin Hotel	49,154,385	50,295,000	49,724,693
Olaya Court Tower	84,314,730	85,579,000	84,946,865
Boulevard	340,263,683	342,907,000	341,585,342
Lafif Complex	166,364,958	158,914,000	162,639,477
Jeddah Land	543,479,010	533,311,000	538,395,005
	2,530,940,710	2,485,452,000	2,508,196,355

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 20247 EFFECT ON NET ASSET VALUE IF INVESTMENTS IN REAL ESTATE PROPERTIES ARE
FAIR VALUED (continued)

	Appraiser 1 SR	Appraiser 2 SR	Average SR
31 December 2023			
Alayum Newspaper Tower	201,838,000	201,837,000	201,837,500
Almareefa 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	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	341,448,000	340,314,885
Lafif Complex	143,277,663	152,830,000	148,053,831
	<u>2,021,147,452</u>	<u>2,014,481,000</u>	<u>2,017,814,226</u>

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 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:

	2024 SR	2023 SR
Fair value of investments in real estate properties	2,508,196,355	2,017,814,226
Less: Carrying value of investments properties (Note 6)	2,038,369,717	1,729,390,454
Unrealised gain based on fair value evaluation	469,826,638	288,423,772
Units in issue	186,509,785	186,509,785
Per unit share in unrealised gain based on fair value valuation	2.52	1.55

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

	2024 SR	2023 SR
Net asset value at cost, as presented in these financial statements	1,737,125,952	1,830,558,792
Unrealised gain based on real estate evaluations (Note 7.1)	469,826,638	288,423,772
Net asset based on fair value	2,206,952,590	2,118,982,564

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

	2024 SR	2023 SR
Net asset value per unit, at cost as presented in these financial statements	9.31	9.81
Impact on net asset value per unit on account of unrealised gain based on fair value evaluations (Note 7.1)	2.52	1.55
Net asset value per unit at fair value	11.83	11.36

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 SR	2023 SR
Non-current		
Investment in associate (Note 8.1)	185,557,363	195,827,122

8.1 Investment in associate

This represents investment of 12,713,205 units (2023: 12,713,205) 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 (2023: 127,132,049).

As at 31 December 2024, the Fund holds 28.075% of Real Estate Investment Fund (2023: 28.075%).

The unrealised loss on this investment amounted to SR 10,269,759 for the year ended 31 December 2024 (2023: unrealised gain SR 46,065,567).

During the year ended 31 December 2024, the Fund did not redeem any units of the Real Estate Investment Fund. During the year ended 31 December 2023, the Fund redeemed 32,286,795 units for SR 421,132,110. The carrying value of this investment at the time of redemption was SR 380,338,445 as a result the Fund recognised a realised gain of SR 40,793,665 during 2023.

During 2024, the Fund recognised dividend income amounting to SR 3,813,961 (2023: SR 54,000,000) from its investment in associate.

9 PREPAYMENTS AND OTHER ASSETS

	2024 SR	2023 SR
Prepaid expenses	724,002	201,961
Accrued finance income	18,056	433,875
Other receivables	97,299	162,494
VAT input receivable (i)	-	30,300,000
Advance payment for property acquisition	-	20,000,000
	839,357	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 amended title deed was issued on 1 January 2018. Considering the transaction had already been completed in 2017 (except for the amendment of the 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 was made including 5% VAT amount, fines for non-charging of VAT on the related transaction and fines for late payment of VAT. This claim included an amount of SR 30,300,000 reflecting the 5% VAT amount.

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 the 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 the 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.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

9 PREPAYMENTS AND OTHER ASSETS (continued)

The Appellate Committee completed a hearing against the Fund's appeal during the year ended 31 December 2023 and rendered its final verdict in favor of the Fund on 3 January 2024. Accordingly, during the year ended 31 December 2023, the Fund reversed the previously recognized impairment provision of SR 15,150,000.

Subsequent to the final verdict of the Appellate Committee, ZATCA refunded the entire amount of VAT to the seller which was transferred to the Fund during the year ended 31 December 2024.

10 RENT RECEIVABLES

This account represents the rent receivables from the operating leases (Note 18).

	2024 SR	2023 SR
Rent receivables	34,208,886	32,511,109
Less: Allowance for expected credit loss (note 10.1)	(7,934,940)	(4,565,577)
	<u>26,273,946</u>	<u>27,945,532</u>

10.1 Movement in the allowance for expected credit loss:

	2024 SR	2023 SR
At the beginning of the year	4,565,577	4,565,577
Provided during the year	3,413,979	-
Written off during the year	(44,616)	-
At the end of the year	<u>7,934,940</u>	<u>4,565,577</u>

Following is the ageing analysis of the rent receivables:

	2024 SR	2023 SR
Less than 30 days	1,941,900	5,116,124
Between 91 to 120 days	6,435,245	12,103,225
More than 120 days	25,831,741	15,291,760
	<u>34,208,886</u>	<u>32,511,109</u>

Impairment and risk exposure

Information about the impairment of rent receivables and the Fund's exposure to credit risk can be found in Note 19.

11 CASH AND CASH EQUIVALENTS

	2024 SR	2023 SR
Cash at Bank	32,748,746	35,974,431
Short-term deposits	25,000,000	30,000,000
	<u>57,748,746</u>	<u>65,974,431</u>

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

11 CASH AND CASH EQUIVALENTS (continued)

As of 31 December 2024, there are bank accounts maintained with Banque Saudi Fransi under the name of the SPVs with a total balance of SR 22,452,088 (2023: SR 12,261,026).

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

As at 31 December 2024, the Fund's short-term deposits amounted to SR 25,000,000 (2023: 30,000,000) and carried a profit rate of 5.20% (2023: 5.85%).

Finance income for the year ended 31 December 2024 amounting to SR 1,693,002 (2023: SR 1,101,322), with an accrued finance income amounting to SR 18,056 (2023: SR 433,875).

12 LONG-TERM LOAN, NET

	2024 SR	2023 SR
Long-term loan	542,500,000	202,122,500
Less:		
Transaction costs	-	11,750,000
Amortisation of transaction costs	-	(11,750,000)
	<u>-</u>	<u>-</u>
Long-term loan, net	<u>542,500,000</u>	<u>202,122,500</u>

On 1 October 2018, Banque Saudi Fransi ("BSF") 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 banking facility by SR 170,300,000, bringing the total available banking facility amount to SR 1,170,300,000 which carried a markup rate of 3 months SIBOR +2% margin. The outstanding amount of SR 453,122,500 against the said facility was due for repayment on 21 July 2023 which was settled in full during the year ended 31 December 2023.

On 2 August 2023, BSF renewed the said facility and decreased the limit to SR 1,000,000,000 carrying a markup rate of 3 months SIBOR +1.5%.

As of 31 December 2024, the Fund has drawn SR 542,500,000 (31 December 2023: SR 202,122,500) from the facility and repayment is due in full amount on 30 September 2028.

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

The movement in the long-term loan, excluding transaction cost, is as follows:

	2024 SR	2023 SR
At beginning of the year	202,122,500	453,122,500
Proceeds from additional drawdown	340,377,500	202,122,500
Repayment of loan	-	(453,122,500)
At end of the year	<u>542,500,000</u>	<u>202,122,500</u>

Finance charges for the year ended 31 December 2024 amounted to SR 38,557,203 (2023: SR 28,057,507) which are reflected under the statement of comprehensive income.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

12 LONG-TERM LOAN, NET (continued)

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

The movement in the transaction costs is as follows:

	2024 SR	2023 SR
At beginning of the year	-	1,887,034
Amortisation charged during the year	-	(1,887,034)
At end of the year	-	-

13 ACCRUED EXPENSES AND OTHER LIABILITIES

	2024 SR	2023 SR
Output value-added tax	1,630,085	198,058
Security deposits	536,085	535,085
Property valuation fees	313,525	206,826
Administration fee	63,227	-
Professional fees	55,500	101,626
Independent board member fee	30,000	30,000
Custody fee	-	80,000
Payable for property purchase	-	20,000,000
Others	1,495,281	1,104,687
	4,123,703	22,256,282

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:

Name of related party	Nature of relationship	Nature of transaction	2024 SR	2023 SR
Jadwa Investment Company	Fund Manager	Management fees (i) Transaction fee (note 15) Commission fees	16,675,608 675,000 3,000,000	16,012,463 - -
Real Estate Development Areas Company	SPV	Finance charges	38,557,203	28,057,507
Real Estate Investment Fund	Associate	Redemption Dividend income	- 3,813,961	421,132,110 54,000,000

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

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

For the dividends distributed to the Unitholders, please refer to Note 21.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

14.2 Related party balances

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

Amounts due to related parties

	2024 SR	2023 SR
Real Estate Development Areas Company	1,879,250	966,475
Unitholders distribution payable	698,635	607,212
Jadwa Investment Company	72,013	72,013
	2,649,898	1,645,700

Accrued management fees

	2024 SR	2023 SR
Jadwa Investment Company	9,246,046	9,625,348

15 GENERAL AND ADMINISTRATIVE EXPENSES

	2024 SR	2023 SR
Property expense	4,281,606	3,748,915
VAT expense	1,882,125	2,443,864
Property management fees	1,070,339	888,470
Professional fees	909,542	448,699
Repair and maintenance expense	876,034	1,315,598
Transaction fee (i)	675,000	-
Insurance	423,611	517,878
Registration fee	400,000	400,000
Administration fees	361,390	373,655
Legal fee	310,475	366,900
Tadawul listing fee	300,000	300,000
Property valuation fees	298,800	369,395
Custody fee	294,559	320,000
Independent board member fee (ii)	20,000	20,000
Bank charges	204,382	366,158
Others	562,238	531,135
	12,870,101	12,410,667

(i) As per the Terms and Conditions of the Fund, the Fund Manager is entitled to a transaction fee of 0.75% on the proceeds from the disposal of an investment property. During the year ended 31 December 2024, this fee was paid to the Fund Manager in connection with the disposal of the Al Fanar Residential Complex.

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

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

16 UNITS TRANSACTION

	2024 In numbers	2023 In numbers
Units at the beginning of the year	186,509,785	186,509,785
Units at the end of the year	186,509,785	186,509,785

During the year, the Fund did not issue any units.

17 FAIR VALUE MEASUREMENT

17.1 Financial instruments

Financial assets consist of cash and cash equivalents, rent receivables, and other receivables. 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 the market rate.

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

	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
31 December 2024				
Financial assets at fair value through profit or loss (Note 8)	-	185,557,363	-	185,557,363
31 December 2023				
Financial assets at fair value through profit or loss (Note 8)	-	195,827,122	-	195,827,122

The financial asset at FVTPL which is an investment in private real estate investment fund is determined using unadjusted net asset value (Level 2 valuation).

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

17.2 Non-financial assets

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

	Level 3 SR
31 December 2024	
Alayum Newspaper Tower	190,000,000
Almareefa University for Science & Technology	243,988,547
Al-Sulay warehouse	271,415,319
Marvela Residential Compound	625,501,107
Aber Al Yasmin Hotel	49,724,693
Olaya Court Tower	84,946,865
Boulevard	341,585,342
Lafif Complex	162,639,477
Jeddah Land	538,395,005
	2,508,196,355

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

17 FAIR VALUE MEASUREMENT (continued)

17.2 Non-financial assets (continued)

	Level 3 SR
31 December 2023	
Alayum Newspaper Tower	201,837,500
Almareefa University for Science & Technology	224,037,000
Al-Sulay warehouse	264,996,292
Marvela Residential Compound	625,000,000
Al Fanar Residential	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
	2,017,814,226

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 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 financial statements and the level where the items are disclosed in the fair value hierarchy.

The fair values of investment properties were assessed by Ensad (TAQEEM license number: 1210000934) and Barcode (TAQEEM license number: 1210000001) (2023: Esnad and Barcode) as disclosed in Note 7. 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:

Valuation approach	Key assumptions	Range	
		2024	2023
Income capitalisation	Capitalisation rate (%)	6.5 – 8	7 - 8.50
Discounted cash flow	Discount rate (%)	8 – 10.5	8 - 10

18 OPERATING LEASES

Future minimum rent receivables under the operating leases are as follows:

	2024 SR	2023 SR
Not later than one year	160,419,725	139,260,043
Later than one year and not later than five years	413,721,498	364,101,028
Later than five years	1,130,015,686	271,968,246
	1,704,156,909	775,329,317

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

18 OPERATING LEASES (continued)

The Fund enters into long-term operating lease contracts with tenants for space in its investment properties. Initial lease terms are generally between 3 and 20 years. Leases generally provide for the tenant to pay the base rent, with provisions for contractual increases in base rent over the term of the lease. Responsibility for repair and maintenance of the property, and its insurance over the lease term lies with the lessee. Rental income from investment properties recognised by the Fund during the year is SR 177,968,998 (2023: SR 141,254,094).

19 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and 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 has its terms and conditions document that sets out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

19.1 Market risk

The Fund will be subject to the general conditions of the real estate sector in Saudi Arabia, which itself is influenced by a variety of factors such as, but not limited to the overall macroeconomic growth in the Kingdom, interest rates, demand-supply, availability of financing, investor sentiment, liquidity, legal and regulatory requirement. The Fund management monitors on a regular basis the fluctuation and changes in the overall economic environment and believes that the impact of such changes is not significant to the Fund.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest rate risk arises from the long-term loan. This is benchmarked to SAIBOR which expose the Fund to cash flow interest rate risk.

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

An increase/decrease in interest 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 SR 5,155,805 for the year ended 31 December 2024 (2023: SR 3,834,075).

19.2 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, rent receivables, and other receivables as financial assets carried at amortised cost.

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.

19.3 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.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2024

19 FINANCIAL RISK MANAGEMENT (continued)

19.3 Liquidity risk (continued)

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

	On demand SR	Within 12 months SR	More than 12 months SR	Total SR
31 December 2024				
Long-term loan	-	39,449,792	645,818,249	685,268,041
Due to related parties	770,648	-	-	770,648
Other liabilities	-	4,123,703	-	4,123,703
	<u>770,648</u>	<u>43,573,493</u>	<u>645,818,249</u>	<u>690,162,392</u>
	On demand SR	Within 12 months SR	More than 12 months SR	Total SR
31 December 2023				
Long-term loan	-	15,757,718	245,263,624	261,021,343
Due to related parties	679,225	-	-	679,225
Other liabilities	-	22,256,282	-	22,256,282
	<u>679,225</u>	<u>38,014,000</u>	<u>245,263,624</u>	<u>283,956,850</u>

20 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.

21 DIVIDENDS DISTRIBUTION

The following dividends were distributed in accordance with the terms and conditions of the Fund which was at least 90% of the Fund's annual net profits.

31 December 2024

Dividend declaration date	Dividend period	SR
5 February 2024	From 1 October 2023 to 31 December 2023	37,301,957
14 May 2024	From 1 January 2024 to 31 March 2024	37,301,957
19 August 2024	From 1 April 2024 to 30 June 2024	37,301,957
11 November 2024	From 1 July 2024 to 30 September 2024	37,301,957
		<u>149,207,828</u>

31 December 2023

Dividend declaration date	Dividend period	SR
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
2 August 2023	From 1 April 2023 to 30 June 2023	37,301,957
19 November 2023	From 1 July 2023 to 30 September 2023	37,301,957
		<u>149,207,828</u>

**Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)****NOTES TO THE FINANCIAL STATEMENTS (continued)**
31 December 2024**22 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 2025.

23 EVENTS AFTER THE REPORTING DATE

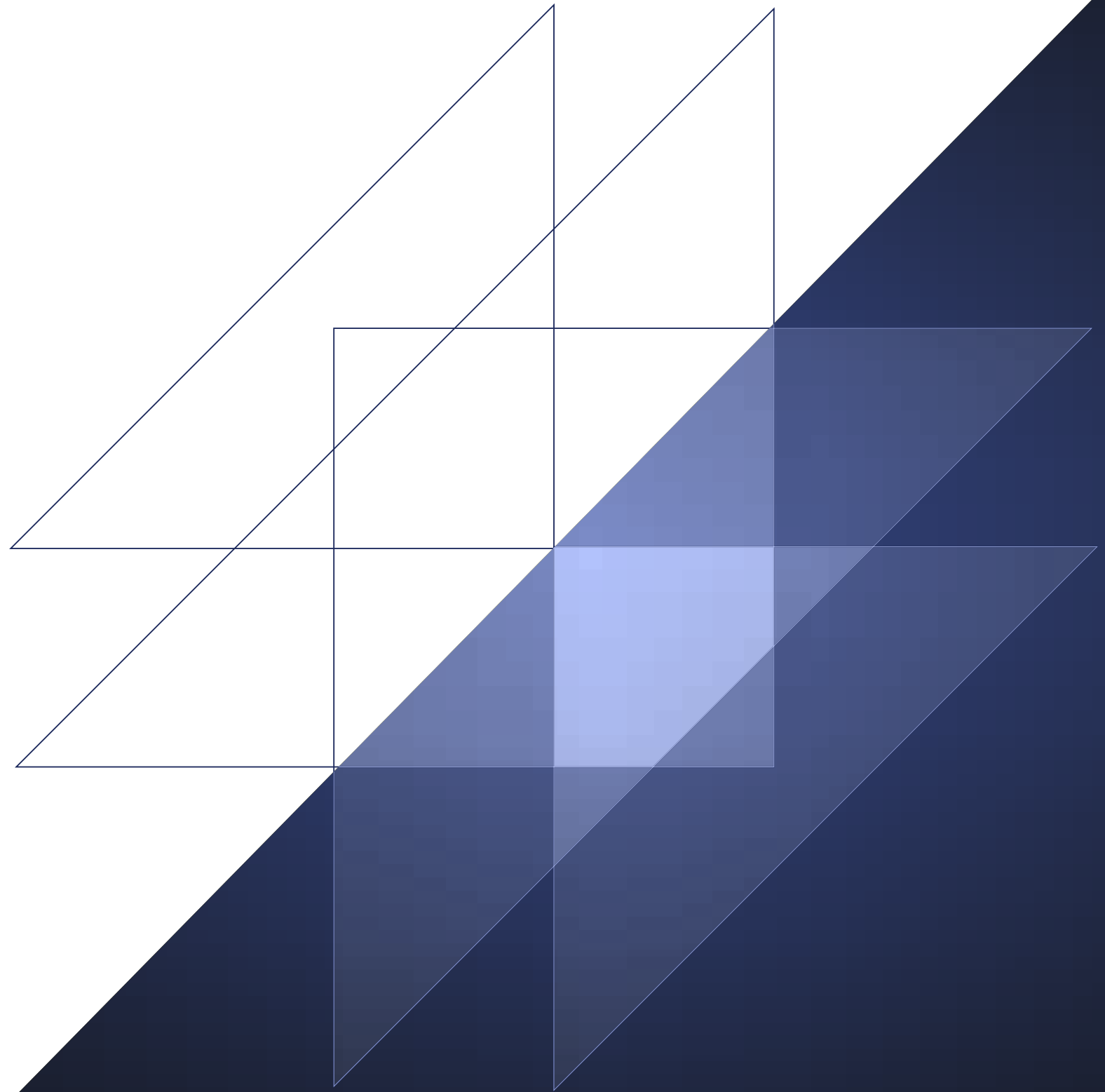
On 18 February 2025, the Fund Manager approved to distribute dividends to the Unitholders for the period from 1 October 2024 to 31 December 2024 for an amount of SR 37,301,957.

24 LAST VALUATION DAY

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

25 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Fund's Board on 25 Ramadan 1446H (corresponding to 25 March 2025).



This document has been prepared specifically as part of a contractual agreement between Auronova and the client and based on the defined scope of the engagement. The document is to be read in conjunction with the scope of the engagement.

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