

**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)

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FINANCIAL STATEMENTS

31 December 2024

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**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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>Assessing Impairment of Investment Properties</u></b><br><br>The Fund owns a portfolio of investment properties comprising of land and commercial buildings being located in the Kingdom of Saudi Arabia.<br><br>Investment properties are held for capital appreciation and/or rental yields and are stated at cost less accumulated depreciation and any impairment losses.<br><br>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"> <li>- We have obtained an understanding of the process and controls surrounding assessment of impairment of investment properties by performing walkthrough procedures.</li> <li>- We agreed the value of all the properties held at the year end to the valuation included in the independent management expert valuation report;</li> <li>- We evaluated the competency, capabilities and objectivity of work performed by the independent management expert;</li> <li>- On sample basis, with the help of our independent expert, we performed the following:</li> </ul> |

**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"> <li>○ We assessed the appropriateness of valuation methods, assumptions, and estimates used by management in the process of impairment of investment properties;</li> <li>○ We engaged in discussions with management and assessed the relevant assumptions used based on market data where possible;</li> <li>○ We tested the appropriateness of the key assumptions used in the valuation of investment properties, such as estimated rental value and yield profile applied;</li> <li>- We checked the accuracy of impairment loss recognized in the statement of comprehensive income during the year; and</li> <li>- We ensured that the financial statements contain adequate disclosures regarding the valuation methods, judgment, assumptions and estimates used in the valuation.</li> </ul> |

**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.

**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<br>SR           | 2023<br>SR           |
|-----------------------------------------------------------------|-------|----------------------|----------------------|
| <b>ASSETS</b>                                                   |       |                      |                      |
| <b>NON-CURRENT ASSETS</b>                                       |       |                      |                      |
| 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          |
| <b>TOTAL NON-CURRENT ASSETS</b>                                 |       | <b>2,223,927,080</b> | <b>1,925,217,576</b> |
| <b>CURRENT ASSETS</b>                                           |       |                      |                      |
| 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           |
| <b>TOTAL CURRENT ASSETS</b>                                     |       | <b>84,862,049</b>    | <b>145,018,293</b>   |
| <b>TOTAL ASSETS</b>                                             |       | <b>2,308,789,129</b> | <b>2,070,235,869</b> |
| <b>LIABILITIES</b>                                              |       |                      |                      |
| <b>NON-CURRENT LIABILITY</b>                                    |       |                      |                      |
| Long-term loan                                                  | 12    | 542,500,000          | 202,122,500          |
| <b>CURRENT LIABILITIES</b>                                      |       |                      |                      |
| 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           |
| <b>TOTAL CURRENT LIABILITIES</b>                                |       | <b>29,163,177</b>    | <b>37,554,577</b>    |
| <b>TOTAL LIABILITIES</b>                                        |       | <b>571,663,177</b>   | <b>239,677,077</b>   |
| <b>EQUITY</b>                                                   |       |                      |                      |
| Net assets attributable to unitholders                          |       | 1,737,125,952        | 1,830,558,792        |
| <b>TOTAL LIABILITIES AND EQUITY</b>                             |       | <b>2,308,789,129</b> | <b>2,070,235,869</b> |
| 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<br>SR          | 2023<br>SR          |
|-------------------------------------------------------------------|-------|---------------------|---------------------|
| <b>REVENUE</b>                                                    |       |                     |                     |
| 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          |
|                                                                   |       | <b>174,449,813</b>  | <b>283,214,648</b>  |
| <b>EXPENSES</b>                                                   |       |                     |                     |
| 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)        |
|                                                                   |       | <b>(70,847,097)</b> | <b>(53,660,970)</b> |
| <b>OPERATING PROFIT</b>                                           |       | <b>103,602,716</b>  | <b>229,553,678</b>  |
| Other income                                                      |       | 1,143,928           | -                   |
| Finance charges                                                   | 12,14 | (38,557,203)        | (28,057,507)        |
| <b>PROFIT FOR THE YEAR</b>                                        |       | <b>66,189,441</b>   | <b>201,496,171</b>  |
| Impairment loss on investment properties                          | 6     | (10,414,453)        | (1,221,854)         |
| <b>NET INCOME FOR THE YEAR</b>                                    |       | <b>55,774,988</b>   | <b>200,274,317</b>  |
| Other comprehensive income                                        |       | -                   | -                   |
| <b>TOTAL COMPREHENSIVE /INCOME FOR THE YEAR</b>                   |       | <b>55,774,988</b>   | <b>200,274,317</b>  |

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<br>SR           | 2023<br>SR    |
|----------------------------------------------------------------------|-------|----------------------|---------------|
| <b>OPERATING ACTIVITIES</b>                                          |       |                      |               |
| Net income for the year                                              |       | <b>55,774,988</b>    | 200,274,317   |
| <i>Adjustments for non-cash and other items:</i>                     |       |                      |               |
| Depreciation on investment properties                                | 6     | <b>37,887,409</b>    | 38,500,806    |
| Impairment loss on investment properties                             | 6     | <b>10,414,453</b>    | 1,221,854     |
| Gain on disposal of investment properties                            |       | <b>(1,243,611)</b>   | -             |
| Amortisation of transaction cost                                     | 12    | -                    | 1,887,034     |
| Finance charges                                                      | 12,14 | <b>38,557,203</b>    | 28,057,507    |
| Charge/(reversal) of impairment on rent receivables and other assets | 9,10  | <b>3,413,979</b>     | (15,150,000)  |
| Unrealised loss/(gain) on financial assets at FVTPL                  | 8     | <b>10,269,759</b>    | (46,065,567)  |
| Realised gains on financial assets at FVTPL                          |       | -                    | (40,793,665)  |
| Finance income                                                       |       | <b>(1,693,002)</b>   | (1,101,322)   |
|                                                                      |       | <b>153,381,178</b>   | 166,830,964   |
| <i>Changes in operating assets and liabilities:</i>                  |       |                      |               |
| Prepayments and other assets                                         |       | <b>29,843,154</b>    | (20,286,242)  |
| Rent receivables                                                     |       | <b>(1,742,393)</b>   | 40,660,425    |
| Due to related parties                                               |       | <b>91,423</b>        | (38,476,475)  |
| Contract liability                                                   |       | <b>9,116,283</b>     | 2,337,994     |
| Accrued management fees                                              |       | <b>(379,302)</b>     | (6,597,626)   |
| Accrued expenses and other liabilities                               |       | <b>(18,132,579)</b>  | 16,879,242    |
|                                                                      |       | <b>172,177,764</b>   | 161,348,282   |
| Finance charges paid                                                 |       | <b>(37,644,428)</b>  | (27,604,507)  |
| Finance income received                                              |       | <b>2,108,821</b>     | 667,447       |
| Net cash flows from operating activities                             |       | <b>136,642,157</b>   | 134,411,222   |
| <b>INVESTING ACTIVITIES</b>                                          |       |                      |               |
| Additions to investment properties                                   | 6     | <b>(426,037,514)</b> | (134,997,349) |
| Proceed from disposal of investment properties                       |       | <b>90,000,000</b>    | -             |
| Proceed from disposal of financial assets at FVTPL                   |       | -                    | 421,132,110   |
| Net cash flows (used in)/from investing activities                   |       | <b>(336,037,514)</b> | 286,134,761   |
| <b>FINANCING ACTIVITIES</b>                                          |       |                      |               |
| Distributions                                                        | 21    | <b>(149,207,828)</b> | (149,207,828) |
| Additions to long-term loan                                          | 12    | <b>340,377,500</b>   | 202,122,500   |
| Repayment of long-term loan                                          | 12    | -                    | (453,122,500) |
| Net cash flows from/(used in) financing activities                   |       | <b>191,169,672</b>   | (400,207,828) |
| <b>Net (decrease)/increase in cash and cash equivalents</b>          |       | <b>(8,225,685)</b>   | 20,338,155    |
| Cash and cash equivalents at beginning of the year                   |       | <b>65,974,431</b>    | 45,636,276    |
| <b>Cash and cash equivalents at end of the year</b>                  |       | <b>57,748,746</b>    | 65,974,431    |
| <b>NON-CASH TRANSACTIONS</b>                                         |       |                      |               |
| Additions to investment properties                                   | 6,9   | <b>20,000,000</b>    | -             |

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 CHANGES IN EQUITY

For the year ended 31 December 2024

|                                                                      | Notes | 2024<br>SR           | 2023<br>SR           |
|----------------------------------------------------------------------|-------|----------------------|----------------------|
| <b>Equity attributed to the Unitholders at beginning of the year</b> |       | <b>1,830,558,792</b> | <b>1,779,492,303</b> |
| <b>Comprehensive income</b>                                          |       |                      |                      |
| Net income for the year                                              |       | <b>55,774,988</b>    | 200,274,317          |
| Other comprehensive income for the year                              |       | -                    | -                    |
| Total comprehensive income for the year                              |       | <b>55,774,988</b>    | 200,274,317          |
| Distributions                                                        | 21    | <b>(149,207,828)</b> | (149,207,828)        |
| <b>Equity attributed to the Unitholders at end of the year</b>       |       | <b>1,737,125,952</b> | <b>1,830,558,792</b> |

Transactions in units for the year ended are summarised as follows:

|                                                          | Notes | 2024<br>Units      | 2023<br>Units      |
|----------------------------------------------------------|-------|--------------------|--------------------|
| <b>Units at the beginning and at the end of the year</b> | 16    | <b>186,509,785</b> | <b>186,509,785</b> |

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

# 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)

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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.

## 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:

- a) The Fund's business model for managing the financial assets; and
- b) 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.

**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.

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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.

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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.

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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.

**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:

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

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**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**

| <i>Description</i>                            | <i>Cost</i>          | <i>Accumulated depreciation</i> | <i>Impairment loss</i> | <i>Net book Value</i> |
|-----------------------------------------------|----------------------|---------------------------------|------------------------|-----------------------|
|                                               | <i>SR</i>            | <i>SR</i>                       | <i>SR</i>              | <i>SR</i>             |
| 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           |
|                                               | <b>2,340,745,470</b> | <b>230,121,765</b>              | <b>72,253,988</b>      | <b>2,038,369,717</b>  |

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**

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

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.

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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<br>SR    | 2023<br>SR    |
|-------------------------------------|---------------|---------------|
| <b>Cost</b>                         |               |               |
| 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 |
| <b>Accumulated depreciation</b>     |               |               |
| 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   |
| <b>Accumulated impairment</b>       |               |               |
| 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    |
| <b>Net book value</b>               | 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.

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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:

| <b>31 December 2024</b>                       | <b>Appraiser 1<br/>SR</b> | <b>Appraiser 2<br/>SR</b> | <b>Average<br/>SR</b> |
|-----------------------------------------------|---------------------------|---------------------------|-----------------------|
| Alyaum Newspaper Tower                        | 190,000,000               | 190,000,000               | 190,000,000           |
| Almareefa 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           |
|                                               | <b>2,530,940,710</b>      | <b>2,485,452,000</b>      | <b>2,508,196,355</b>  |

Jadwa REIT Saudi Fund  
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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

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

| 31 December 2023                              | Appraiser 1<br>SR    | Appraiser 2<br>SR    | Average<br>SR        |
|-----------------------------------------------|----------------------|----------------------|----------------------|
| Alyaum 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          | 341,446,000          | 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<br>SR           | 2023<br>SR    |
|-----------------------------------------------------------------|----------------------|---------------|
| Fair value of investments in real estate properties             | <b>2,508,196,355</b> | 2,017,814,226 |
| Less: Carrying value of investments properties (Note 6)         | <b>2,038,369,717</b> | 1,729,390,454 |
| Unrealised gain based on fair value evaluation                  | <b>469,826,638</b>   | 288,423,772   |
| Units in issue                                                  | <b>186,509,785</b>   | 186,509,785   |
| Per unit share in unrealised gain based on fair value valuation | <b>2.52</b>          | 1.55          |

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

|                                                                     | 2024<br>SR           | 2023<br>SR    |
|---------------------------------------------------------------------|----------------------|---------------|
| Net asset value at cost, as presented in these financial statements | <b>1,737,125,952</b> | 1,830,558,792 |
| Unrealised gain based on real estate evaluations (Note 7.1)         | <b>469,826,638</b>   | 288,423,772   |
| Net asset based on fair value                                       | <b>2,206,952,590</b> | 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<br>SR   | 2023<br>SR |
|-------------------------------------------------------------------------------------------------------------|--------------|------------|
| Net asset value per unit, at cost as presented in these financial statements                                | <b>9.31</b>  | 9.81       |
| Impact on net asset value per unit on account of unrealised gain based on fair value evaluations (Note 7.1) | <b>2.52</b>  | 1.55       |
| Net asset value per unit at fair value                                                                      | <b>11.83</b> | 11.36      |

Jadwa REIT Saudi Fund  
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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

**8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

|                                    | 2024<br>SR         | 2023<br>SR  |
|------------------------------------|--------------------|-------------|
| <b>Non-current</b>                 |                    |             |
| Investment in associate (Note 8.1) | <b>185,557,363</b> | 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<br>SR     | 2023<br>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 |
|                                          | <b>839,357</b> | 51,098,330 |

(i) During 2017, the Fund acquired property from Al-Atheer Company (the "seller") for SR 606,000,000, prior to the implementation of VAT law in the Kingdom of Saudi Arabia which came into effect on 1 January 2018. The related Sale and Purchase Agreement to acquire the property was signed in December 2017 and consideration against the acquisition of property was also paid in December 2017; however, the 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**  
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**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<br>SR        | 2023<br>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<br>SR       | 2023<br>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)         | -                |
|                              | <u>7,934,940</u> | <u>4,565,577</u> |

Following is the ageing analysis of the rent receivables:

|                        | 2024<br>SR        | 2023<br>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<br>SR        | 2023<br>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**  
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**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**

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

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:

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

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:

|                                      | <b>2024</b> | <b>2023</b> |
|--------------------------------------|-------------|-------------|
|                                      | <b>SR</b>   | <b>SR</b>   |
| 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**

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

| <b>Name of related party</b>          | <b>Nature of relationship</b> | <b>Nature of transaction</b> | <b>2024</b>       | <b>2023</b> |
|---------------------------------------|-------------------------------|------------------------------|-------------------|-------------|
|                                       |                               |                              | <b>SR</b>         | <b>SR</b>   |
| Jadwa Investment Company              | Fund Manager                  | Management fees (i)          | <b>16,675,608</b> | 16,012,463  |
|                                       |                               | Transaction fee (note 15)    | <b>675,000</b>    | -           |
|                                       |                               | Commission fees              | <b>3,000,000</b>  | -           |
| Real Estate Development Areas Company | SPV                           | Finance charges              | <b>38,557,203</b> | 28,057,507  |
| Real Estate Investment Fund           | Associate                     | Redemption                   | -                 | 421,132,110 |
|                                       |                               | Dividend income              | <b>3,813,961</b>  | 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<br>SR       | 2023<br>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           |
|                                       | <u>2,649,898</u> | <u>1,645,700</u> |

**Accrued management fees**

|                          | 2024<br>SR       | 2023<br>SR       |
|--------------------------|------------------|------------------|
| Jadwa Investment Company | <u>9,246,046</u> | <u>9,625,348</u> |

**15 GENERAL AND ADMINISTRATIVE EXPENSES**

|                                   | 2024<br>SR        | 2023<br>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           |
|                                   | <u>12,870,101</u> | <u>12,410,667</u> |

- (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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

**16 UNITS TRANSACTION**

|                                    | <i>2024</i><br><i>In numbers</i> | <i>2023</i><br><i>In numbers</i> |
|------------------------------------|----------------------------------|----------------------------------|
| Units at the beginning of the year | <b>186,509,785</b>               | 186,509,785                      |
| Units at the end of the year       | <b>186,509,785</b>               | 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:

|                                                                | <i>Level 1</i><br><i>SR</i> | <i>Level 2</i><br><i>SR</i> | <i>Level 3</i><br><i>SR</i> | <i>Total</i><br><i>SR</i> |
|----------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| <b>31 December 2024</b>                                        |                             |                             |                             |                           |
| Financial assets at fair value through profit or loss (Note 8) | -                           | <b>185,557,363</b>          | -                           | <b>185,557,363</b>        |
| <b>31 December 2023</b>                                        |                             |                             |                             |                           |
| 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:

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

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**31 December 2024**

**17 FAIR VALUE MEASUREMENT (continued)**

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

| 31 December 2023                              | Level 3<br>SR        |
|-----------------------------------------------|----------------------|
| Alyaum 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          |
|                                               | <b>2,017,814,226</b> |

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:

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

**18 OPERATING LEASES**

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

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**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:

|                         | <i>On demand<br/>SR</i> | <i>Within 12 months<br/>SR</i> | <i>More than 12 months<br/>SR</i> | <i>Total<br/>SR</i> |
|-------------------------|-------------------------|--------------------------------|-----------------------------------|---------------------|
| <b>31 December 2024</b> |                         |                                |                                   |                     |
| 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>  |
|                         |                         |                                |                                   |                     |
| <b>31 December 2023</b> |                         |                                |                                   |                     |
| 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**

| <i>Dividend declaration date</i> | <i>Dividend period</i>                  | <i>SR</i>          |
|----------------------------------|-----------------------------------------|--------------------|
| 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**

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

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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).