

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

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

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

Introduction:

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

Scope of Review:

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

Conclusion:

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

for Alluhaid & Alyahya Chartered Accountants



Turki A. Alluhaid
Certified Public Accountant
License No. 438

Riyadh: 06 Safar 1446 H
(10 August 2024)



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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
ASSETS			
NON-CURRENT ASSETS			
Investment properties	5	659,173,840	659,173,840
Financial assets at fair value through profit or loss ("FVTPL")	7	20,312,872	21,758,564
TOTAL NON-CURRENT ASSETS		679,486,712	680,932,404
CURRENT ASSETS			
Due from related parties		-	23,576,633
Prepayments and other assets	8	213,275	60,135
Rent and related receivables	9	31,063,659	15,685,147
Cash and cash equivalents	10	24,507,630	4,499,719
TOTAL CURRENT ASSETS		55,784,564	43,821,634
TOTAL ASSETS		735,271,276	724,754,038
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term loan	11	214,349,007	214,096,977
CURRENT LIABILITIES			
Due to related parties	13	4,684,663	2,165,430
Management fees payable	13	3,089,735	1,202,527
Accrued expenses and other liabilities	12	7,127,299	2,780,676
TOTAL CURRENT LIABILITIES		14,901,697	6,148,633
TOTAL LIABILITIES		229,250,704	220,245,610
EQUITY			
Net assets attributable to unitholders		506,020,572	504,508,428
TOTAL LIABILITIES AND EQUITY		735,271,276	724,754,038
Units in issue (in units)		66,000,000	66,000,000
Per unit value		7.67	7.64
Per unit fair value	6	7.67	7.64

The attached notes 1 to 19 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2024

		<i>For the six-month period ended</i>	
		<i>30 June</i>	<i>30 June</i>
		<i>2024</i>	<i>2023</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Notes</i>	<i>SR</i>	<i>SR</i>
INCOME			
Rental income from investment properties		27,652,150	17,886,501
Finance income	10	584,806	-
(Loss) income from financial assets at FVTPL	7	(1,445,692)	500,000
Dividend income	7	423,774	4,500,000
		27,215,038	22,886,501
EXPENSES			
Depreciation	5	(5,248,719)	(5,757,744)
Management fee	13	(1,887,208)	-
Provision for expected credit losses	9	(4,092,058)	-
Amortisation of transaction cost	11	(252,030)	(250,646)
General and administrative expenses	14	(2,241,671)	(3,160,049)
		(13,721,686)	(9,168,439)
OPERATING PROFIT		13,493,352	13,718,062
Finance charges	11	(8,526,839)	(8,716,620)
PROFIT FOR THE PERIOD BEFORE IMPAIRMENT		4,966,513	5,001,442
Reversal of (charge for) Impairment loss on investment properties	5	5,125,631	(7,519,416)
NET PROFIT (LOSS) FOR THE PERIOD		10,092,144	(2,517,974)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		10,092,144	(2,517,974)

The attached notes 1 to 19 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024

		<i>For the six-month period ended</i>	
		<i>30 June</i>	<i>30 June</i>
		<i>2024</i>	<i>2023</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Notes</i>	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES			
Net profit (loss) for the period		10,092,144	(2,517,974)
Adjustments to reconcile net gain (loss) to net cash flows:			
Depreciation on investment properties	5	5,248,719	5,757,744
Amortisation of transaction cost	11	252,030	250,646
Finance charges	11	8,526,839	8,716,620
Provision for expected credit losses	9	4,092,058	-
(Reversal of) charge for Impairment loss on investment properties	5	(5,125,631)	7,519,416
Loss (income) from financial assets at FVTPL	7	1,445,692	(500,000)
Finance income	10	(584,806)	-
		23,947,045	19,226,452
Changes in operating assets and liabilities:			
Decrease in due from related parties		23,576,633	-
(Increase) decrease in prepayments and other assets		(143,891)	640,677
Increase in rent receivables		(19,470,570)	(5,576,743)
Increase (decrease) in management fees payable		1,887,208	(1,035,377)
Increase in accrued expenses and other liabilities		4,346,623	58,203
Increase in due to related parties		361	-
		34,143,409	13,313,212
Finance charges paid		(6,007,967)	(7,908,740)
Finance income received		575,557	-
Net cash flows from operating activities		28,710,999	5,404,472
INVESTING ACTIVITIES			
Addition to investment properties	5	(123,088)	(7,262,181)
Net cash flows used in investing activities		(123,088)	(7,262,181)
FINANCING ACTIVITIES			
Dividend distributions	16	(8,580,000)	-
Net cash flows used in investing activities		(8,580,000)	-
Net increase (decrease) in cash and cash equivalents		20,007,911	(1,857,709)
Cash and cash equivalents at beginning of the period		4,499,719	17,911,955
Cash and cash equivalents at end of the period		24,507,630	16,054,246

The attached notes 1 to 19 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024

	<i>For the six-month period ended</i>	
	30 June 2024 (Unaudited) SR	30 June 2023 (Unaudited) SR
Equity attributed to the unitholders at beginning of the period	504,508,428	490,751,814
Comprehensive loss		
Net income (loss) for the period	10,092,144	(2,517,974)
Other comprehensive income for the period	-	-
Total comprehensive income (loss) for the period	10,092,144	(2,517,974)
Dividend distributions (note 16)	(8,580,000)	-
Equity attributed to the unitholders at end of the period	506,020,572	488,233,840

The attached notes 1 to 19 form an integral part of these interim condensed financial statements.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS 30 June 2024

1 CORPORATE INFORMATION

Jadwa REIT Al Haramain Fund (the "Fund") is a closed-ended Shariah compliant real estate investment traded fund. The Fund operates in accordance with Real Estate Investment Fund Regulations ("REIFR") 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 660,000,000 divided into 66,000,000 units of SR 10 each. The Fund has a term of 99 years, which is extendable at the discretion of the Fund Manager following the approval of the CMA.

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

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

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

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

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

During 2022, the Fund Manager entered into a management and operation contract with Emaar Al Diyafa Hotels Company for the purpose of managing and operating Tharawat Al Andalusia Hotel and Tharawat Al Taqwa Hotel. The contract also includes the responsibilities of marketing, maintenance and supervision of the property. The related fees is based on percentage of net profit from 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 interim condensed financial statements ("financial statements") have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting Standards ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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

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

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

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

3 BASIS OF PREPARATION (continued)

3.2 Basis of measurement

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

3.3 Use of estimates

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

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

3.4 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 New standards, interpretations and amendments adopted by the Fund

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

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

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

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

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

Jadwa REIT Al Haramain Fund
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2024

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

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

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

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

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

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

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

5 INVESTMENT PROPERTIES

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

30 June 2024 (Unaudited)

<i>Description</i>	<i>Cost SR</i>	<i>Accumulated depreciation SR</i>	<i>Accumulated impairment SR</i>	<i>Net book value SR</i>
Tharawat Al Andalusia Hotel	381,443,227	48,474,428	23,691,455	309,277,344
Tharawat Al Taqwa Hotel	250,000,000	35,063,174	9,508,980	205,427,846
3-Star Hotel, Makkah	183,076,608	660,994	60,446,964	121,968,650
Retail Building	23,000,000	100,000	400,000	22,500,000
	<u>837,519,835</u>	<u>84,298,596</u>	<u>94,047,399</u>	<u>659,173,840</u>

31 December 2023 (Audited)

<i>Description</i>	<i>Cost SR</i>	<i>Accumulated depreciation SR</i>	<i>Accumulated impairment SR</i>	<i>Net book value SR</i>
Tharawat Al Andalusia Hotel	381,443,227	45,792,752	26,373,131	309,277,344
Tharawat Al Taqwa Hotel	250,000,000	32,828,263	11,743,891	205,427,846
3-Star Hotel, Makkah	182,953,520	328,861	60,656,009	121,968,650
Retail Building	23,000,000	100,000	400,000	22,500,000
	<u>837,396,747</u>	<u>79,049,876</u>	<u>99,173,031</u>	<u>659,173,840</u>

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

During the period ended 30 June 2024, the Fund recognised depreciation amounting to SR 5,248,719 (30 June 2023: SR 5,757,744).

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

5.1 Brief details of the investment properties follow:

5.1.1 Tharawat Al Andalusia Hotel

This property is a fully constructed and operated hotel located in Al Misfalah District, being situated approximately 0.5 km away from Holy Mosque, benefitting from a direct view over Ibrahim Al-Khalil Road. The Fund earns an annual rent from the operating lease of this hotel.

5.1.2 Tharawat Al Taqwa Hotel

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

5.1.3 Retail Building

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

Jadwa REIT Al Haramain Fund
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2024

5 INVESTMENT PROPERTIES (continued)

5.1 Brief details of the investment properties follow: (continued)

5.1.4 3-Star Hotel, Makkah

The hotel tower is located in Al Misfalah District, The redevelopment of the hotel tower was completed and operation of the hotel commenced during the year ended 31 December 2023.

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

5.2 Impairment of investment properties

The investment properties were tested for impairment and the management noted the carrying amounts properties are lower than the recoverable amount. During the period ended 30 June 2024, the management recognized a net reversal of impairment loss of SR 5,125,631 (2023: recognized impairment loss of SR 7,519,416) 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 6.

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

In accordance with Article 35 of the REIFR issued by CMA in the Kingdom of Saudi Arabia, the Fund Manager evaluates the Fund's real estate assets based on two evaluations prepared by independent evaluators. However, investment in real estate properties are carried at cost less depreciation and impairment, if any, in these financial statements.

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

<u>30 June 2024 (Unaudited)</u>	<i>Appraiser 1</i> SR	<i>Appraiser 2</i> SR	<i>Average</i> SR
Tharawat Al Andalusia Hotel	311,825,000	306,729,688	309,277,344
Tharawat Al Taqwa Hotel	194,809,000	216,046,692	205,427,846
3-Star Hotel, Makkah	134,626,000	109,311,300	121,968,650
Retail Building	22,500,000	22,500,000	22,500,000
	663,760,000	654,587,680	659,173,840
<u>31 December 2023 (Audited)</u>	<i>Appraiser 1</i> SR	<i>Appraiser 2</i> SR	<i>Average</i> SR
Tharawat Al Andalusia Hotel	311,825,000	306,729,688	309,277,344
Tharawat Al Taqwa Hotel	194,809,000	216,046,692	205,427,846
3-Star Hotel, Makkah	134,626,000	109,311,300	121,968,650
Retail Building	22,500,000	22,500,000	22,500,000
	663,760,000	654,587,680	659,173,840

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

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

Jadwa REIT Al Haramain Fund
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2024

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

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

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Fair value of investments properties	659,173,840	659,173,840
Less: Carrying value of investments properties (Note 5)	659,173,840	659,173,840
Unrealised gain based on fair valuation	-	-
Units in issue	66,000,000	66,000,000
Per unit share in unrealised gain based on fair valuation	-	-

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

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Net asset value at cost, as presented in these interim condensed financial statements	506,020,572	504,508,428
Unrealised gain based on fair valuations (Note 6.1)	-	-
Net asset based on fair value	506,020,572	504,508,428

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

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Net asset value per unit, at cost as presented in these financial statements	7.67	7.64
Impact on net asset value per unit on account of unrealised gain based on fair valuations (Note 6.1)	-	-
Net asset value per unit at fair value	7.67	7.64

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

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Non-current		
Investment in private real estate fund (Note 7.1)	20,312,872	21,758,564

7.1 Investment in real estate fund

This represents investment of 1,412,578 units (31 December 2023: 1,412,578 units) in Real Estate Investment Fund, a closed-ended Shariah-compliant private real estate investment fund managed by Jadwa Investment Company, the cost of which is SR 14,125,783 (31 December 2023: SR 14,125,783).

As at 30 June 2024, the Fund holds 3.12% ownership interest in Real Estate Investment Fund (31 December 2023: 3.12%).

The unrealised loss on this investment amounted to SR 1,445,692 for the period ended 30 June 2024 (30 June 2023: gain of SR 500,000).

During the period ended 30 June 2024, the Fund recognised dividend income amounting to SR 423,774 from its investment in real estate fund (30 June 2023: SR 4,500,000).

8 PREPAYMENTS AND OTHER ASSETS

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Prepaid expenses	200,000	43,741
Other receivables	13,275	16,394
	213,275	60,135

9 RENT RECEIVABLE

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Rent receivable	35,155,717	15,685,147
Less: - Allowance for expected credit loss	(4,092,058)	-
	31,063,659	15,685,147

Following is the aging analysis of the rent receivables:

Less than 30 days	22,031,994	2,345,472
Between 31 to 120 days	2,148,968	6,318,401
More than 120 days	10,974,755	7,021,274
	35,155,717	15,685,147

Jadwa REIT Al Haramain Fund
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2024

10 CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Cash at Bank	4,507,630	4,499,719
Short-term deposits	20,000,000	-
	24,507,630	4,499,719

As of 30 June 2024, there are bank accounts maintained with Banque Saudi Fransi, Albilad Bank and Riyadh Bank under the name of the SPVs with a total balance of SR 283,622 (31 December 2023: SR 2,513,704).

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

As at 30 June 2024, the Fund's short-term deposits amounted to SR 20,000,000 (31 December 2023: SR Nil) and carried a profit rate of 5.55% (31 December 2023: Nil).

Finance income for the period ended 30 June 2024 amounting to SR 584,806 (30 June 2023: SR Nil), with an accrued finance income as at 30 June 2024 amounting to SR 9,250 (31 December 2023: SR Nil).

11 LONG-TERM LOAN

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Long-term loan	215,969,205	215,969,205
Less:		
Transaction cost	2,530,000	2,530,000
Amortisation of transaction costs	(909,802)	(657,772)
	1,620,198	1,872,228
Long-term loan, net	214,349,007	214,096,977

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

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

The loan carries mark-up at the rate of Saudi Inter-Bank Offered Rate ("SAIBOR") plus 1.75% per annum, payable on semi-annual basis. As at 30 June 2024, the Fund has drawn down SR 215,969,205 (31 December 2023: SR 215,969,205) from the facility.

Transaction costs related to the loan amounting to SR 2,530,000 (31 December 2023: SR 2,530,000) have been amortised over the period of loan facility. Amortisation for the period ended 30 June 2024 SR 252,031 (2023: SR 250,646) which is reflected under the statement of comprehensive income.

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

Finance charges against the Islamic finance facility taken from the Albilad Bank for the period ended 30 June 2024 amounted to SR 8,526,839 (30 June 2023: SR 8,716,620) which are reflected under the statement of comprehensive income.

Jadwa REIT Al Haramain Fund
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2024

12 ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Value added tax payable	3,101,241	-
Hotel operator payable	2,875,455	1,797,344
Contract liability	592,141	559,318
Property valuation fee	169,325	140,525
Custody fee	76,384	68,831
Administrator fee	61,406	-
Professional fee	18,844	13,219
Insurance fee	-	126,438
Others	232,503	75,001
	7,127,299	2,780,676

13 RELATED PARTY TRANSACTIONS AND BALANCES

13.1 Related party transactions

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

Related party	Nature of relationship	Nature of transaction	For the six month period ended 30 June	
			2024 (Unaudited) SR	2023 (Unaudited) SR
Jadwa Al-Khalil Real Estate Company	SPV	Finance charges	8,526,839	8,716,620
Jadwa Investment Company	Fund Manager	Management fee	1,887,208	-
Real Estate Investment Fund	Affiliate	Dividend income	423,774	4,500,000

i. Management fees

In consideration for managing the assets of the Fund, the Fund Manager in accordance with the terms and conditions of the Fund, charges management fee according to the following: (a) 0.5% annually of the Fund's net asset value, and (b) 5% of the Fund's total annual revenue, paid semi-annually and calculated based on the performance of each year separately, provided that the total management fee does not exceed 0.75% of the Fund's net assets value, for the purposes of Management Fees, "Fund's total revenue" represents gross income from rentals of real estate assets excluding any capital gains.

13.2 Related party balances

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

Due from related parties

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Jadwa Saudi Riyal Murabaha Fund	-	23,576,633

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
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13 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

13.2 Related party balances (continued)

Due to related parties

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Jadwa Al-Khalil Real Estate Company	4,490,237	1,971,365
Dividend payable	172,084	171,723
Jadwa Investment Company	22,342	22,342
	4,684,663	2,165,430

Management fees payable

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Jadwa Investment Company	3,089,735	1,202,527

14 GENERAL AND ADMINISTRATIVE EXPENSES

	For the six month period ended 30 June	
	2024 (Unaudited) SR	2023 (Unaudited) SR
Property management fee (i)	1,078,111	2,003,259
VAT expense	292,905	-
Professional fees (iii)	224,245	208,663
Registration fee	200,000	200,000
Administrator fee	126,684	131,094
Tadawul listing fee	69,178	73,087
Custody fee	62,915	60,610
Property valuation fee	56,800	123,810
Insurance	43,760	122,403
Audit fee	30,000	17,500
Legal fees	18,275	4,250
Independent board member fee (ii)	10,000	10,000
Others	28,798	205,373
	2,241,671	3,160,049

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

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

(iii) This pertains to the accounting fee for the bookkeeping of the Fund and the fee paid to the tax consultant.

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

15 FAIR VALUE MEASUREMENT

15.1 Financial instruments

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

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

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

<u>30 June 2024 (Unaudited)</u>	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Financial assets at FVTPL (Note 7)	-	20,312,872	-	20,312,872
<u>31 December 2023 (Audited)</u>	SR	SR	SR	SR
Financial assets at FVTPL (Note 7)	-	21,758,564	-	21,758,564

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

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

15.2 Non-financial assets

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

<u>30 June 2024 (Unaudited)</u>	Level 3 SR
Tharawat Al Andalusia Hotel	309,277,344
Tharawat Al Taqwa Hotel	205,427,846
3-Star Hotel, Makkah	121,968,650
Retail Building	22,500,000
	659,173,840
<u>31 December 2023 (Audited)</u>	Level 3 SR
Tharawat Al Andalusia Hotel	309,277,344
Tharawat Al Taqwa Hotel	205,427,846
Retail Building	22,500,000
3-Star Hotel, Makkah	121,968,650
	659,173,840

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, property rate per square meter and profit margin.

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

15 FAIR VALUE MEASUREMENT (continued)

15.2 Non-financial assets (continued)

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

The fair values of investment properties were assessed by Esnad and Barcode (31 December 2023: Esnad and Barcode) as disclosed in note 6. They are accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment properties being valued.

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

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

<i>Valuation approach</i>	<i>Key assumptions</i>	<i>Range</i>	
		<i>30 June 2024</i>	<i>31 December 2023</i>
Discounted cash flow	Discount rate (%)	8.50	8.50
Income approach	Capitalisation rate (%)	5.00-8.00	5.00-8.00

16 DIVIDENDS DISTRIBUTION

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

30 June 2024 (Unaudited)

<i>Dividend declaration date</i>	<i>Dividend period</i>	<i>SR</i>
20 February 2024	From 1 January 2023 to 31 December 2023	8,580,000
		8,580,000

There were no dividends distributed during the period ended 30 June 2023.

17 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.

18 LAST VALUATION DAY

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

19 APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund's Board on 4 Safar 1446H (corresponding to 08 August 2024).