

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)

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

31 DECEMBER 2023

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)

FINANCIAL STATEMENTS

31 December 2023

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

Report on the Audit of the Financial Statements

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 2023, 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 2023, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISA”) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (“the Code”) that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	How the key matter was addressed in the audit
<p><u>Assessing Impairment of Investment Properties</u></p> <p>The Fund owns a portfolio of investment properties comprising of land and commercial buildings being located in the Kingdom of Saudi Arabia.</p> <p>Investment properties are held for capital appreciation and/or rental yields and are stated at cost less accumulated depreciation and any impairment losses.</p> <p>As at 31 December 2023, the carrying value of investment properties was SR 1,729 million (2022: SR 1,634 million) which was net of accumulated depreciation of SR 214 million (2022: 175 million) and an accumulated impairment allowance of SR 64 million (2022: SR 63 million).</p>	<ul style="list-style-type: none"> - We have obtained an understanding of the process and controls surrounding assessment of impairment of investment properties by performing walkthrough procedures. - We agreed the value of all the properties held at the year end to the valuation included in the independent management expert valuation report; - We evaluated the competency, capabilities and objectivity of work performed by the independent management expert; - On sample basis, with the help of our independent expert, we performed the following:

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

Other Information included in the Fund's 2023 Annual Report

The Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's 2023 annual report other than the financial statements and our auditor's report thereon. The Fund's 2023 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 2023 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 that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement 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: 17 Ramdan 1445 H
(27 March 2024)



Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 SR	2022 SR
ASSETS			
NON-CURRENT ASSETS			
Investment properties	6	1,729,390,454	1,634,115,765
Financial assets at fair value through profit or loss ("FVTPL")	8	195,827,122	530,100,000
TOTAL NON-CURRENT ASSETS		1,925,217,576	2,164,215,765
CURRENT ASSETS			
Prepayments and other assets	9	51,098,330	15,228,213
Rent receivables	10	27,945,532	68,605,957
Cash and cash equivalents	11	65,974,431	45,636,276
TOTAL CURRENT ASSETS		145,018,293	129,470,446
TOTAL ASSETS		2,070,235,869	2,293,686,211
LIABILITIES			
NON-CURRENT LIABILITY			
Long-term loan	12	202,122,500	-
CURRENT LIABILITIES			
Long-term loan – current portion	12	-	451,235,466
Due to related parties	14	1,645,700	39,669,175
Contract liability		4,027,247	1,689,253
Accrued management fees	14	9,625,348	16,222,974
Accrued expenses and other liabilities	13	22,256,282	5,377,040
TOTAL CURRENT LIABILITIES		37,554,577	514,193,908
TOTAL LIABILITIES		239,677,077	514,193,908
EQUITY			
Net assets attributable to unitholders		1,830,558,792	1,779,492,303
TOTAL LIABILITIES AND EQUITY		2,070,235,869	2,293,686,211
Units in issue (in units)	16	186,509,785	186,509,785
Per unit value		9.81	9.54
Per unit fair value	7	11.36	10.82

The attached notes 1 to 26 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 2023

	Notes	2023 SR	2022 SR
REVENUE			
Rental income from investment properties	18	141,254,094	158,453,725
Dividend income	8	54,000,000	13,500,000
Unrealised gain on financial assets at FVTPL	8	46,065,567	11,700,000
Realised gains on financial assets at FVTPL	8	40,793,665	1,590,554
Finance income	11	1,101,322	-
Gain on disposal of investment properties	6	-	24,870,401
		283,214,648	210,114,680
EXPENSES			
Depreciation	6	(38,500,806)	(41,223,214)
Management fees	14	(16,012,463)	(15,517,584)
Amortisation of transaction cost	12	(1,887,034)	(2,995,431)
Reversal (charge) of impairment on other assets	9	15,150,000	(19,715,577)
General and administrative expenses	15	(12,410,667)	(10,152,673)
		(53,660,970)	(89,604,479)
OPERATING PROFIT		229,553,678	120,510,201
Finance charges	12,14	(28,057,507)	(25,516,835)
PROFIT FOR THE YEAR		201,496,171	94,993,366
Impairment losses on investment properties	6	(1,221,854)	(17,351,874)
NET INCOME FOR THE YEAR		200,274,317	77,641,492
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		200,274,317	77,641,492

The attached notes 1 to 26 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 2023

	Notes	2023 SR	2022 SR
OPERATING ACTIVITIES			
Net income for the year		200,274,317	77,641,492
<i>Adjustments for non-cash and other items:</i>			
Depreciation on investment properties	6	38,500,806	41,223,214
Impairment losses on investment properties	6	1,221,854	17,351,874
Gain on disposal of investments properties		-	(24,870,401)
Amortisation of transaction cost	12	1,887,034	2,995,431
Finance charges	12,14	28,057,507	25,516,835
(Reversal) charge of impairment on other assets	9	(15,150,000)	19,715,577
Unrealised loss (gain) on financial assets at FVTPL	8	(46,065,567)	(11,700,000)
Realised gains on financial assets at FVTPL		(40,793,665)	(1,590,554)
Finance income		(1,101,322)	-
		166,830,964	146,283,468
<i>Changes in operating assets and liabilities:</i>			
Prepayments and other assets		(20,286,242)	706,284
Rent receivables		40,660,425	(54,798,677)
Due to related parties		(38,476,475)	38,755,734
Contract liability		2,337,994	(162,404)
Accrued management fees		(6,597,626)	9,477,945
Accrued expenses and other liabilities		16,879,242	2,918,956
		161,348,282	143,181,306
Finance charges paid		(27,604,507)	(25,053,166)
Finance income received		667,447	-
		134,411,222	118,128,140
Net cash flows from operating activities		134,411,222	118,128,140
INVESTING ACTIVITIES			
Proceed from disposal of financial assets at FVTPL		421,132,110	188,590,554
Payments for financial assets at FVTPL		-	(187,000,000)
Additions to investment properties	6	(134,997,349)	(2,294,082)
Proceed from disposal of investment properties		-	167,000,000
		286,134,761	166,296,472
Net cash flows from investing activities		286,134,761	166,296,472
FINANCING ACTIVITIES			
Distributions	21	(149,207,828)	(149,207,828)
Proceeds from long-term loan	12	202,122,500	-
Repayment of long-term loan	12	(453,122,500)	(150,000,000)
Transaction cost	12	-	(1,750,000)
		(400,207,828)	(300,957,828)
Net cash flows used in financing activities		(400,207,828)	(300,957,828)
Net increase (decrease) in cash and cash equivalents		20,338,155	(16,533,216)
Cash and cash equivalents at beginning of the year		45,636,276	62,169,492
Cash and cash equivalents at end of the year		65,974,431	45,636,276

The attached notes 1 to 26 form an integral part of these financial statements.

Jadwa REIT Saudi Fund
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STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	<i>Notes</i>	2023 SR	2022 SR
Equity attributed to the Unitholders at beginning of the year		1,779,492,303	1,851,058,639
Comprehensive income			
Net income for the year		200,274,317	77,641,492
Other comprehensive income for the year		-	-
Total comprehensive income for the year		200,274,317	77,641,492
Distributions	21	(149,207,828)	(149,207,828)
Equity attributed to the Unitholders at end of the year		1,830,558,792	1,779,492,303

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

	<i>Notes</i>	2023 Units	2022 Units
Units at the beginning and at the end of the year	16	186,509,785	186,509,785

The attached notes 1 to 26 form an integral part of these financial statements.

Jadwa REIT Saudi Fund (Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

1 CORPORATE INFORMATION

Jadwa REIT Saudi Fund (the "Fund") is a closed-ended Shariah compliant real estate investment traded fund. The Fund operates in accordance with Real Estate Investment Fund Regulations ("REIFR") and Real Estate Investment Traded Funds ("REITF") Instructions issued by the Capital Market Authority ("CMA"). The Fund is listed on Saudi Stock Exchange ("Tadawul") and the units of the Fund started to be traded on Tadawul in accordance with its rules and regulations. The Capital of the Fund is SR 1,950,000,000 divided into 186,509,785 units (2022: SR 1,950,000,000 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.

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), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

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 International Financial Reporting 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
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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

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 equity instruments 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.

For all other financial instruments not traded in an active market, if any, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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 30 to 50 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.

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

31 December 2023

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.4 Financial instruments (continued)

5.4.2 Financial assets – subsequent classification and measurement (continued)

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

5.4.3 Impairment of financial assets

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

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

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

5.4.4 Financial liabilities – subsequent classification and measurement

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

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

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

5.4.5 Modification of financial assets and financial liabilities

Financial assets

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

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

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.4 Financial instruments (continued)

5.4.5 Modification of financial assets and financial liabilities

Financial liabilities

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

5.4.6 Offsetting of financial instruments

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

5.5 Current versus non-current classification

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

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

All other assets are classified as non-current:

A liability is current when:

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

The Fund classifies all other liabilities as non-current.

5.6 Fair value measurement

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

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

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

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

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

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

31 December 2023

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.

5.8 Revenue recognition

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

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

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

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

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 2023

The Fund applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated).

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Fund's financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies, and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Fund's financial statements.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

5.15 Amendments to existing standards effective 1 January 2023 (continued)

Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their material accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Fund disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the financial statements of the Fund.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

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

5.16 New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted

The following standards, amendments to standards and interpretations are not yet effective:

<u>Standards / amendments to standards / interpretations</u>	<u>Effective date</u>
Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants (Amendment to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
Lack of exchangeability – Amendments to IAS 21	1 January 2025

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

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

31 December 2023

6 INVESTMENT PROPERTIES

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

31 December 2023

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

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.

31 December 2022

<i>Description</i>	<i>Cost</i> SR	<i>Accumulated depreciation</i> SR	<i>Impairment loss</i> SR	<i>Net book value</i> SR
Alyaum Newspaper Tower	280,292,257	15,388,926	63,065,900	201,837,431
Almaarefa University for Science & Technology	203,500,000	14,030,491	-	189,469,509
Al-Sulay Warehouse	223,342,600	27,600,389	-	195,742,211
Marvela Residential Compound	610,545,000	88,851,754	-	521,693,246
Al Fanar Residential	112,791,836	17,592,552	-	95,199,284
Aber Al Yasmin Hotel	34,601,250	1,953,357	-	32,647,893
Olaya Court Tower	60,917,500	3,998,077	-	56,919,423
Boulevard	346,512,000	5,905,232	-	340,606,768
	1,872,502,443	175,320,778	63,065,900	1,634,115,765

During the year ended 31 December 2022, the Fund sold the following investment properties:

- Commercial portion of Al Fanar Compound with a selling price of SR 140,000,000 having carrying value of SR 118,361,125 recognizing a gain on disposal of SR 21,638,875.
- Rawd Aljinan School with a selling price of SR 27,000,000 having carrying value of SR 23,768,474 recognizing a gain on disposal of SR 3,231,526.

Jadwa REIT Saudi Fund
(Managed by Jadwa Investment Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

6 INVESTMENT PROPERTIES (continued)

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

	2023	2022
	SR	SR
Cost		
Balance at beginning of the year	1,872,502,443	2,029,003,262
Additions during the year	134,997,349	2,294,082
Disposals during the year	-	(158,794,901)
Balance at end of the year	2,007,499,792	1,872,502,443
Accumulated depreciation		
Balance at beginning of the year	175,320,778	150,762,866
Depreciation charge for the year	38,500,806	41,223,214
Depreciation related to disposals	-	(16,665,302)
Balance at end of the year	213,821,584	175,320,778
Accumulated impairment		
Balance at beginning of the year	63,065,900	45,714,026
Impairment of investment properties	1,221,854	17,351,874
Balance at end of the year	64,287,754	63,065,900
Net book value	1,729,390,454	1,634,115,765

The useful lives of the investment properties as estimated by an independent valuator range from 30 to 50 years. During the year ended 31 December 2023, the Fund recognised depreciation amounting to SR 38,500,806 (2022: SR 41,223,214).

Freehold land comprises of the lands acquired on which the buildings are built. The Fund acquired properties in Riyadh, Al Khobar and Dammam with an aggregate area of 354,345.72 square meters of land (31 December 2022: 348,345.72 square meters).

On 25 April 2023, the Fund entered into a Sale and Purchase Agreement for a leased commercial land located in Jeddah on Prince Sultan bin Abdulaziz Road, Al Zahra district with a size of 161,276 sqm for a purchase price of SR 400 million. On 25 December 2023, the Fund has paid an advance amount of SR 20,000,000. However, as of the year end, the legal formalities for completion of the transaction have not yet been completed (refer to Note 9 and 23).

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.

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.

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

31 December 2023

6 INVESTMENT PROPERTIES (continued)

6.1 Brief details of the investment properties: (continued)

6.1.5 Al Fanar Residential

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

6.1.6 Aber Al Yasmin Hotel

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

6.1.7 Olaya Court Tower

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

6.1.8 Boulevard

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

6.1.9 Lafif property

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

6.2 Impairment of investment properties

The investment properties were tested for impairment and the management noted the carrying amount of two properties (31 December 2022: one property) to be higher than the recoverable amount. Accordingly, during the year ended 31 December 2023, the management recognised an impairment of SR 1,221,854 (2022: SR 17,351,874) 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 (2022: Barcode and Menassat). As at reporting date, the valuation of investment properties is as follows:

31 December 2023	Appraiser 1 SR	Appraiser 2 SR	Average 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
	2,021,147,452	2,014,481,000	2,017,814,226

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

31 December 2023

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

31 December 2022	Appraiser 1 SR	Appraiser 2 SR	Average SR
Alyaum Newspaper Tower	201,838,000	201,836,863	201,837,432
Almareefa University for Science & Technology	235,429,000	219,733,333	227,581,167
Al-Sulay Warehouse	266,667,000	258,064,516	262,365,758
Marvela Residential Compound	625,000,000	602,409,639	613,704,820
Al Fanar Residential	125,000,000	93,750,000	109,375,000
Aber Al Yasmin Hotel	46,702,142	40,864,350	43,783,246
Olaya Court Tower	73,720,000	73,076,923	73,398,462
Boulevard	336,177,882	346,057,627	341,117,755
	<u>1,910,534,024</u>	<u>1,835,793,251</u>	<u>1,873,163,640</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:

	2023 SR	2022 SR
Fair value of investments in real estate properties	2,017,814,226	1,873,163,640
Less: Carrying value of investments properties (Note 6)	1,729,390,454	1,634,115,765
Unrealised gain based on fair value evaluation	288,423,772	239,047,875
Units in issue	186,509,785	186,509,785
Per unit share in unrealised gain based on fair value valuation	1.55	1.28

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

	2023 SR	2022 SR
Net asset value at cost, as presented in these financial statements	1,830,558,792	1,779,492,303
Unrealised gain based on real estate evaluations (Note 7.1)	288,423,772	239,047,875
Net asset based on fair value	2,118,982,564	2,018,540,178

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

31 December 2023

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

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

	2023 SR	2022 SR
Net asset value per unit, at cost as presented in these financial statements	9.81	9.54
Impact on net asset value per unit on account of unrealised gain based on fair value evaluations (Note 7.1)	1.55	1.28
Net asset value per unit at fair value	11.36	10.82

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 SR	2022 SR
Non-current		
Investment in associate (Note 8.1)	195,827,122	530,100,000

8.1 Investment in associate

This represents investment of 12,713,205 units (2022: 45,000,000) 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 (2022: 450,000,000).

As at 31 December 2023, the Fund holds 28.075% of Real Estate Investment Fund (2022: 28.075%).

The unrealised gain on this investment amounted to SR 46,065,567 for the year ended 31 December 2023 (2022: SR 11,700,000).

During the year ended 31 December 2023, the Fund redeemed 32,286,795 units of Real Estate Investment Fund 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 (2022: SR Nil).

During 2023, the Fund recognised dividend income amounting to SR 54,000,000 (2022: SR 13,500,000) from its investment in associate.

8.2 Investment in mutual fund

As at 31 December 2023, the Fund does not hold any unit of Jadwa Saudi Riyal Murabaha Fund managed by Jadwa Investment Company. The Fund redeemed its investment in mutual fund during 2022.

The realised gain on the redemption of investment amounted to SR Nil for the year ended 31 December 2023 (2022: SR 1,590,554).

Jadwa REIT Saudi Fund
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NOTES TO THE FINANCIAL STATEMENTS (continued)
31 December 2023

9 PREPAYMENTS AND OTHER ASSETS

	2023 SR	2022 SR
VAT input receivable (i)	30,300,000	15,150,000
Advance payment for property acquisition (Note 6)	20,000,000	-
Accrued finance income	433,875	-
Prepaid insurance	201,961	-
Other receivables	162,494	78,213
	<u>51,098,330</u>	<u>15,228,213</u>

(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 completed during 2017 (except for amendment of title deed), the Fund did not settle any VAT on the acquisition of the said property.

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

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

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

10 RENT RECEIVABLES

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

	2023 SR	2022 SR
Rent receivables	32,511,109	73,171,534
Less: Allowance for expected credit loss	(4,565,577)	(4,565,577)
	<u>27,945,532</u>	<u>68,605,957</u>

Following is the ageing analysis of the rent receivables:

	2023 SR	2022 SR
Less than 30 days	5,116,124	36,904,296
Between 91 to 120 days	12,103,225	3,754,467
More than 120 days	15,291,760	32,512,771
	<u>32,511,109</u>	<u>73,171,534</u>

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

31 December 2023

10 RENT RECEIVABLES (continued)

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

	2023	2022
	SR	SR
Cash at Bank	35,974,431	45,636,276
Short-term deposits	30,000,000	-
	65,974,431	45,636,276

As of 31 December 2023, there are bank accounts maintained with Banque Saudi Fransi under the name of the SPVs with a total balance of SR 12,261,026 (2022: SR 4,486,101).

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

As at 31 December 2023, the Fund's short-term deposits amounted to SR 30,000,000 (2022: Nil) and carried a profit rate of 5.85% (2022: Nil).

Finance income for the year ended 31 December 2023 amounting to SR 1,101,322 (2022: SR Nil), with an accrued finance income amounted to SR 433,875 (2022: Nil).

12 LONG-TERM LOAN, NET

	2023	2022
	SR	SR
Long-term loan	202,122,500	453,122,500
Less:		
Transaction costs	11,750,000	11,750,000
Amortisation of transaction costs	(11,750,000)	(9,862,966)
	-	1,887,034
Long-term loan, net	202,122,500	451,235,466

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 of 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 of 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 with decreasing the limit to SR 1,000,000,000 carrying a markup rate of 3 month SIBOR +1.5%.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

12 LONG-TERM LOAN, NET (continued)

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

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

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

	2023 SR	2022 SR
At beginning of the year	453,122,500	603,122,500
Proceeds from loan	202,122,500	-
Repayment of loan	(453,122,500)	(150,000,000)
At end of the year	<u>202,122,500</u>	<u>453,122,500</u>

Finance charges for the year ended 31 December 2023 amounted to SR 28,057,507 (2022: SR 25,516,835) which are reflected under the statement of comprehensive income.

Transaction costs charged by Banque Saudi Fransi for loan servicing amounting to 1.0% of the loan facility is amortised over the period of the loan facility.

The movement in the transaction costs is as follows:

	2023 SR	2022 SR
At beginning of the year	1,887,034	3,132,465
Additions during the year	-	1,750,000
Amortisation charged during the year	(1,887,034)	(2,995,431)
At end of the year	<u>-</u>	<u>1,887,034</u>

13 ACCRUED EXPENSES AND OTHER LIABILITIES

	2023 SR	2022 SR
Payable for property purchase (i)	20,000,000	-
Security deposits	535,085	540,676
Property valuation fees	206,826	206,430
Output value-added tax	198,058	3,458,527
Professional fees	101,626	46,125
Custody fee	80,000	80,000
Independent board member fee	30,000	20,000
Administration fee	-	58,237
Others	1,104,687	967,045
	<u>22,256,282</u>	<u>5,377,040</u>

(i) On November 7, 2023, the Fund purchased Laffif complex property for a total purchase price of SR 120,000,000. The Fund paid SR 100,000,000, with the remaining balance of SR 20,000,000 outstanding as of 31 December 2023.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

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:

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transaction</i>	2023 SR	2022 SR
Jadwa Investment Company	Fund Manager	Management fees (i)	16,012,463	15,517,584
Real Estate Development Areas Company	SPV	Transaction fee Finance charges	- 28,057,507	-1,252,500 25,516,835
Jadwa Saudi Riyal Murabaha Fund	Affiliate	Investment in mutual fund Redemption	- -	187,000,000 187,000,000
Real Estate Investment Fund	Associate	Redemption Dividend income	421,132,110 54,000,000	- 13,500,000

(i) Management fees

In consideration for managing the assets of the Fund, the Fund Manager in accordance with the Terms and Conditions of the Fund charges the Fund 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 2023, the Fund Manager held 10,558,353 units in the Fund (2022: 10,558,353 units).

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

14.2 Related party balances

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

Amounts due to related parties

	2023 SR	2022 SR
Real Estate Development Areas Company	966,475	513,475
Unitholders distribution payable	607,212	37,831,188
Jadwa Investment Company	72,013	1,324,512
	1,645,700	39,669,175

Accrued management fees

	2023 SR	2022 SR
Jadwa Investment Company	9,625,348	16,222,974

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31 December 2023

15 GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
	SR	SR
Property expense	3,748,915	4,271,763
VAT expense	2,443,864	1,264,792
Repair and maintenance expense	1,315,598	165,959
Property management fees	888,470	1,182,172
Insurance	517,878	42,098
Professional fees	448,699	197,758
Registration fee	400,000	400,000
Administration fees	373,655	342,628
Property valuation fees	369,395	161,620
Legal fee	366,900	24,975
Bank charges	366,158	39,063
Custody fee	320,000	320,000
Tadawul listing fee	300,000	300,000
Independent board member fee (i)	20,000	20,000
Transaction fee	-	1,252,500
Others	531,135	167,345
	<u>12,410,667</u>	<u>10,152,673</u>

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

16 UNITS TRANSACTION

	2023	2022
	In numbers	In numbers
Units at the beginning of the year	186,509,785	186,509,785
Units at the end of the year	<u>186,509,785</u>	<u>186,509,785</u>

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 market rate.

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

	Level 1	Level 2	Level 3	Total
	SR	SR	SR	SR
31 December 2023				
Financial assets at fair value through profit or loss (Note 8)	-	195,827,122	-	195,827,122
	<u>-</u>	<u>195,827,122</u>	<u>-</u>	<u>195,827,122</u>
31 December 2022				
Financial assets at fair value through profit or loss (Note 8)	-	530,100,000	-	530,100,000
	<u>-</u>	<u>530,100,000</u>	<u>-</u>	<u>530,100,000</u>

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

31 December 2023

17 FAIR VALUE MEASUREMENT (continued)

17.2 Non-financial assets

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.

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

	<i>Level 3</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>
31 December 2023		
Alyaum Newspaper Tower	201,837,500	201,837,500
Almareefa University for Science & Technology	224,037,000	224,037,000
Al-Sulay warehouse	264,996,292	264,996,292
Marvela Residential Compound	625,000,000	625,000,000
Al Fanar Residential	89,298,147	89,298,147
Aber Al Yasmin Hotel	46,702,071	46,702,071
Olaya Court Tower	77,574,500	77,574,500
Boulevard	340,314,885	340,314,885
Laff Complex	148,053,831	148,053,831
	<u>2,017,814,226</u>	<u>2,017,814,226</u>
	<i>Level 3</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>
31 December 2022		
Alyaum Newspaper Tower	201,837,432	201,837,432
Almareefa University for Science & Technology	227,581,167	227,581,167
Al-Sulay Warehouse	262,365,758	262,365,758
Marvela Residential Compound	613,704,820	613,704,820
Al Fanar Residential	109,375,000	109,375,000
Aber Al Yasmin Hotel	43,783,246	43,783,246
Olaya Court Tower	73,398,462	73,398,462
Boulevard	341,117,755	341,117,755
	<u>1,873,163,640</u>	<u>1,873,163,640</u>

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) (2022: Menassat 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").

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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

17 FAIR VALUE MEASUREMENT (continued)

17.2 Non-financial assets (continued)

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

Valuation approach	Key assumptions	Range	
		2023	2022
Income capitalisation	Capitalisation rate (%)	7 - 8.50	6 -8.30
Discounted cash flow	Discount rate (%)	8 - 10	8

18 OPERATING LEASES

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

	2023 SR	2022 SR
Not later than one year	139,260,043	131,151,336
Later than one year and not later than five years	364,101,028	412,222,500
Later than five years	271,968,246	310,448,031
	775,329,317	853,821,867

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 141,254,094 (2022: SR 158,453,725).

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

19 FINANCIAL RISK MANAGEMENT (continued)

19.1 Market risk (continued)

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 3,834,075 for the year ended 31 December 2023 (2022: SR 6,089,992).

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.

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.

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

	On demand SR	Within 12 months SR	More than 12 months SR	Total SR
31 December 2023				
Long-term loan	-	-	203,088,975	203,088,975
Due to related parties	679,225	-	-	679,225
Other liabilities	-	21,639,772	-	21,639,772
	679,225	21,639,772	203,088,975	225,407,972
31 December 2022				
Long-term loan	-	453,635,975	-	453,635,975
Due to related parties	39,155,701	-	-	39,155,701
Other liabilities	-	1,507,721	-	1,507,721
	39,155,701	455,143,695	-	494,299,396

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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

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 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>

31 December 2022

<i>Dividend declaration date</i>	<i>Dividend period</i>	<i>SR</i>
7 March 2022	From 1 October 2021 to 31 December 2021	37,301,957
25 May 2022	From 1 January 2022 to 31 March 2022	37,301,957
1 September 2022	From 1 April 2022 to 30 June 2022	37,301,957
28 November 2022	From 1 July 2022 to 30 September 2022	37,301,957
		<u>149,207,828</u>

22 ZAKAT AND INCOME TAX

The Ministry of Finance has issued a resolution ("MR") numbered 29791, dated 9th Jumada Al-Awwal 1444H (corresponding to 3 December 2022) publishing certain zakat filing rules to be complied by investment funds in the Kingdom of Saudi Arabia, applicable for 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. The filing with ZATCA is due by 30 April 2024.

23 EVENTS AFTER THE REPORTING DATE

On 5 February 2024, the Fund Manager approved to distribute dividends to the Unitholders for the period from 1 October 2023 to 31 December 2023 for an amount of SR 37,301,957 in accordance with the terms and conditions of the Fund which was at least 90% of the Fund's annual net profits.

On 18 February 2024, the title deed of commercial land property located in Jeddah on Prince Sultan bin Abdulaziz Road, Al Zahra district with a size of 161,276 sqm has been transferred to the Fund (Note 6).

On 2 March 2024, the Fund completed the sale process for the Al Fanar Residential Compound property located in Khobar. This transaction was executed in accordance with the terms outlined in the Sale and Purchase Agreement ("SPA"). The completion of this sale included fulfilling all contractual obligations stipulated within the SPA, including the transfer of the property title deed to the buyer, and received the sale proceeds amounting to SR 90,000,000.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2023

24 COMPARATIVE FIGURES

Certain of the prior period amounts have been reclassified to conform to the presentation in the current period.

25 LAST VALUATION DAY

The last valuation day of the year was 29 December 2023 (2022: 29 December 2022).

26 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Fund's Board on 15 Ramadan 1445 H (corresponding to 25 March 2024).