Semi Annual Report to Unitholders 2026

Albilad MSCI Saudi Equity ETF

C) Fund Manager

1) Name and address of the fund manager:

Al-Bilad Investment Company "Al-Bilad Capital".

8068 King Khalid Road Um Al Hamam Al Gharbi- Riyadh 12329 - 2442.

Kingdom of Saudi Arabia.

Phone: 8001160002

Fax: (966+) 112906299

Al-Bilad Investment Company website: www.albilad-capital.com

2) Names and addresses of sub-manager and/or investment advisor (if any):

Not applicable.

3) Review of the investment activities during the period:

Not applicable.

4) A report of investment fund performance during the period:

The benchmark's performance during the period was better than the fund's performance by 0.07% Where the fund achieved 4.24% in comparison with the benchmark's performance which achieved 4.31%.

5) Details of any material changes to the Fund's Terms and Conditions:

Not applicable.

6) Any other information that would enable unitholders to make an informed judgement about the fund's activities during the period

Not applicable.

For more information contact us at:

Asset Management
Telephone: +966 11 2039888
Fax: +966 11 2039899
Website: http://www.albilad-capital.com/En/AssetManagement

Albilad Capital Headquarters:

Telephone: +966 920003636
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PO Box: Riyadh 12313 - 3701, Saudi Arabia

7) Any other information that would enable unitholders to make an informed judgment about the fund’s activities during the period:

Not applicable.

8) A statement on any special commission received by the fund manager during the period, clearly identifying what they are and the manner in which they were utilized:

Not applicable.

9) Any other data and other information required by these Regulations to be included in this report:

Not applicable.

10) Period for the management of the person registered as fund manager:

Since October - 2025.

11) A disclosure of the expense ratio of each underlying fund at the end of year and the weighted average ratio of all underlying funds that invested in:

Not applicable.

E) Auditor

1) Name and address of auditor

PricewaterhouseCoopers

Kingdom of Saudi Arabia P.O. B. 8282 Riyadh 11482

Phone: +966112110400

Fax: +966112110401

Website: www.pwc.com

F) Financial Statements

Financial statements for the semi annual accounting period of the investment fund has been prepared in accordance with SOCPA standards. (Financial Statements attached).

ALBILAD MSCI SAUDI EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)

INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD FROM 21 OCTOBER 2025
(DATE OF COMMENCEMENT OF OPERATIONS) TO 30 JUNE 2026
AND INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE UNITHOLDERS AND THE FUND MANAGER

Report on review of interim financial information

To the Unitholders and the Fund Manager of
Albilad MSCI Saudi Equity ETF

Introduction
We have reviewed the accompanying interim statement of financial position of Albilad MSCI Saudi Equity ETF (the "Fund") as of 30 June 2026 and the related interim statements of income and other comprehensive income, changes in equity attributable to the Unitholders and cash flows for the period from 21 October 2025 (date of commencement of operations) to 30 June 2026 and explanatory notes. The Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information 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", as 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, as 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 financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Mufaddal A. Ali
License Number 447

10 August 2026
(27 Safar 1448H)

PricewaterhouseCoopers Public Accountants
(Professional Limited Liability Company)
Laysen Valley Tower 12 & 13, King Khaled Road
T: +966 (11) 211 0400, F: +966 (11) 211 0401

CR No. 1010371622, UN No. 7000928734, Capital of 500,000 SAR National address: 2537 Mohammad Ibn Fuhayd St secondary no. 7912, West Umm Al Hamam Dist, postal code 12329 Riyadh, Kingdom of Saudi Arabia

ALBILAD MSCI SAUDI EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts in SAR ‘000’ unless otherwise stated)

	Note	As at 30 June 2026 (Unaudited)
Assets		
Cash and cash equivalents	4	**3,071**
Investments held at fair value through the statement of income (FVSI)	5	**294,842**
Dividend receivable		**95**
Total assets		**298,008**
Liabilities		
Accrued management fee	6	**553**
Accruals and other liabilities		**54**
Total liabilities		**607**
Equity attributable to the Unitholders		**297,401**
Units in issue in thousands		**31,500**
Equity per unit in SAR		**9.4413**

The accompanying notes from 1 to 15 form an integral part of this interim financial information.

ALBILAD MSCI SAUDI EQUITY ETF
(AN OPEN-ENDED EXCHANGE TRADED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
INTERIM STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
(All amounts in SAR '000' unless otherwise stated)

	Note	For the period from 21 October 2025 (date of commencement of operations) to 30 June 2026 (Unaudited)
Income / (loss)		
Net loss from investments held at fair value through the statement of income ("FVSI")	5	(23,199)
Dividend income		6,391
Total loss		(16,808)
Expenses		
Management fee	3, 6	(653)
Other expenses		(234)
Total expenses		(887)
Loss for the period		(17,695)
Other comprehensive income for the period		-
Total comprehensive loss for the period		(17,695)
Earnings per unit		
Weighted average number of units in issue in thousands		31,527
Earnings/(loss) per unit in SAR (basic and diluted)		(0.5613)

The accompanying notes from 1 to 15 form an integral part of this interim financial information.

INTERIM STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS
(All amounts in SAR '000' unless otherwise stated)

	For the period from 21 October 2025 (date of commencement of operations) to 30 June 2026
Equity at the beginning of the period	-
Total comprehensive loss for the period	(17,695)
Changes from unit transactions	
Proceeds from issuances of units	316,000
Payment against redemptions of units	(904)
Net change from unit transactions	315,096
Equity at the end of the period (Unaudited)	297,401

	For the period from 21 October 2025 (date of commencement of operations) to 30 June 2026 Units '000'
Units at beginning of the period	-
Units issued	31,600
Units redeemed	(100)
Net change in units	31,500
Units at the end of the period (Unaudited)	31,500

The accompanying notes from 1 to 15 form an integral part of this interim financial information.

INTERIM STATEMENT OF CASH FLOWS
(All amounts in SAR '000' unless otherwise stated)

	For the period from 21 October 2025 (date of commencement of operations) to 30 June 2026 (Unaudited)
Cash flows from operating activities	
Net loss for the period	**(17,695)**
Adjustments for:	
- Unrealised loss on re-measurement of investments held at FVSI	**21,449**
- Dividend income	**(6,391)**
	(2,637)
Net changes in operating assets and liabilities	
Investments held at FVSI	**(316,291)**
Accrued management fee	**553**
Accruals and other liabilities	**54**
Cash used in operating activities	**(318,321)**
Dividend received	**6,296**
Net cash used in operating activities	**(312,025)**
Cash flows from financing activities	
Proceeds from issuances of units	**316,000**
Payment against redemptions of units	**(904)**
Net cash generated from financing activities	**315,096**
Net change in cash and cash equivalents	**3,071**
Cash and cash equivalents at the beginning of the period	**-**
Cash and cash equivalents at the end of the period	**3,071**
Supplemental information	
Purchase of investments	**331,296**
Sale of investments	**15,005**

The accompanying notes from 1 to 15 form an integral part of this interim financial information.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Albilad MSCI Saudi Equity ETF (the "Fund") is an open-ended exchange traded fund established and managed by Albilad Investment Company (the "Fund Manager"), a subsidiary of Bank Albilad (the "Bank") for the benefit of the Fund's Unitholders (the "Unitholders"). The Fund aims to track and simulate the performance of the MSCI Saudi Arabia Domestic Total Market Islamic M-Series Index before calculating any distributions, fees or expenses.

The activities of the Fund conform to the rules and controls set by the Shariah Board.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund. The management of the Fund is the responsibility of the Fund Manager.

Riyad Capital is the "Custodian" of the Fund.

On 13 November 2024, the Capital Market Authority ("CMA") approved Albilad Investment Company's request to offer and register "Albilad MSCI Saudi Equity ETF" units on Tadawul as an exchange traded fund ("ETF"). The latest update to the Fund's Terms and Conditions was made on 12 October 2025. The Fund started trading on Tadawul as an ETF on 29 Rabi' Al-Thani 1447H, corresponding to 21 October 2025, under symbol 9412.

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the Board of the Capital Market Authority (the "CMA") pursuant to Resolution Number 1-219-2006 dated 3 Dhul Hijja 1427H (corresponding to 24 December 2006). The Regulations were subsequently amended by Resolution Number 2-22-2021 of the Board of the CMA dated 12 Rajab 1442H (corresponding to 24 February 2021), effective from 19 Ramadan 1442H (corresponding to 1 May 2021), and published as the amended Investment Fund Regulations (the "Amended Regulations") by the CMA on 17 Rajab 1442H (corresponding to 1 March 2021), detailing the requirements for all funds operating within the Kingdom of Saudi Arabia. The Regulations were further amended by Resolution Number 1-54-2025 dated 23 Dhul Qi'dah 1446H (corresponding to 21 May 2025), effective from 14 Muharram 1447H (corresponding to 9 July 2025), and most recently by Resolution Number 1-135-2025 dated 3 Jumada Al-Akhirah 1447H (corresponding to 24 November 2025). The latter represents the latest amendment to the Regulations up to the date of this interim financial information, and the Fund complies with the Regulations and the directives applicable to public funds issued by the CMA.

The registered office of the Fund is Albilad Investment Company, P.O. Box 8162, Riyadh 12313, 3701, Kingdom of Saudi Arabia.

1.1 PRIMARY MARKET OPERATION (ISSUANCE AND REDEMPTION OF UNITS)

The primary market operations are carried out only by the Fund Manager, Albilad Investment Company, which also acts as the authorised Market Maker. Issuance and redemption activities are undertaken in blocks of exchange traded fund units, referred to as Creation Units. In accordance with the Fund's Terms and Conditions, one Creation Unit equals 500,000 units or SAR 5 million equivalent. The issued units are then freely floated on Tadawul for public trading.

Issuance and redemption of ETF units are generally carried out on an in-kind basis, whereby the Market Maker exchanges ETF units of the Fund for the corresponding basket of assets through the Custodian. In certain circumstances, and subject to the Fund's Terms and Conditions, the Fund Manager may accept or process issuance and redemption in cash.

2 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of this interim financial information are set out below.

2.1 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organisation for Chartered and Professional Accountants (SOCPA). In addition, results for the period from 21 October 2025 (date of commencement of operations) to 30 June 2026, are not necessarily indicative of the actual results for the full period ending on 31 December 2026 and final results may differ.

(All amounts in Saudi Riyals '000' unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION (continued)

The Fund has prepared a complete set of interim financial information as allowed under IAS 34. Accordingly, this interim financial information conforms to the requirements of International Accounting Standard 1 - "Presentation of Financial Statements", relating to a complete set of financial statements. This interim financial information of the Fund has been prepared in accordance with International Accounting Standard 34 – "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia.

The interim financial information has been prepared on a historical cost convention using the accrued basis of accounting, except for the fair valuation of investments held at fair value through the statement of income (FVSI).

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the interim statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

The Fund can recover or settle all its assets and liabilities within 12 months from the reporting date.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New standards, interpretations and amendments adopted by the Fund

The International Accounting Standards Board (IASB) has issued certain accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2026. The Fund Manager has assessed these standards and amendments and concluded that they did not have a material impact on the Fund's interim financial information.

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPP criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows	1 January 2026

(All amounts in Saudi Riyals '000' unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (continued)

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

Standards issued but not yet effective and not early adopted

The listing of standards and interpretations issued which are applicable at a future date are as follows. The Fund intends to adopt these standards when they become effective. The Fund Manager is in the process of assessing the impact of these new and amended standards and interpretations on the Fund's financial statements.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full.	Effective date deferred indefinitely
IFRS 18, Presentation and Disclosure in Financial Statements*	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS.	1 January 2027

*The Fund Manager is currently assessing the impact of IFRS 18 on the Fund's financial statements. Based on the assessment performed to date, the principal impact is expected to relate to the presentation and structure of the statement of income, including the introduction of the newly required subtotals of 'operating profit' and 'profit before financing', together with the potential revised classification of income and expenses into the categories introduced by IFRS 18. The adoption of IFRS 18 is not expected to have an impact on the Fund's reported net income or net assets value.

The related consequential amendments to IAS 7 are also expected to result in presentational changes to the statement of cash flows, principally the change in the starting point of the indirect reconciliation from net income to operating profit.

The Fund Manager does not currently expect any subtotals of income and expenses presented in its public communications to meet the definition of management-defined performance measures under IFRS 18. This assessment will be reviewed prior to the effective date.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in this interim financial information are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). This interim financial information is presented in Saudi Riyal ("SAR") which is the Fund's functional and presentation currency. All financial information presented in SAR has been rounded to the nearest thousand.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.4 Cash and cash equivalents

Cash and cash equivalents of the Fund comprise balances held in a custodian account with Riyad Capital with an original maturity of no more than three months and are available for use by the Fund unless otherwise stated. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2.5 Financial instruments

Financial instruments are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument.

2.5.1 Measurement methods

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument, i.e. the trade date.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through the statement of income (FVSI), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVSI are expensed in the statement of income. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, which may result in an impairment loss being recognised in the statement of income when an asset is newly originated.

2.5.2 Classification and measurement of financial instruments

The Fund classifies its equity instruments at FVSI and other financial assets at amortised cost. The classification requirements for equity and debt instruments are described below:

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's equity.

The Fund classifies its investments as held at FVSI. The Fund subsequently measures all equity investments at FVSI, except where the Fund Manager has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income (FVOCI). The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the statement of income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the statement of income when the Fund's right to receive dividend is established.

The subsequent unrealised revaluation gains/losses on investments held at FVSI are recognised in the statement of income and other comprehensive income. Currently the Fund's investments in shares are classified as FVSI.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective.

Classification and subsequent measurement of debt instruments depend on:

- The Fund's business model for managing the asset; and
- The cash flow characteristics of the asset.

Business model: The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVSI.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.5 Financial instruments (continued)

2.5.2 Classification and measurement of financial instruments (continued)

Debt instruments (continued)

Factors considered by the Fund in determining the business model for a group of assets include:

- past experience on how the cash flows for these assets were collected;
- how the asset's performance is internally evaluated and reported to key management personnel;
- how risks are assessed and managed; and
- how managers are compensated.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Debt securities held for trading, if any, are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified under 'other' business model and measured at FVSI.

SPPP: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payment of principal and profit (the "SPPP" test). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit (or special commission income) includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVSI.

Based on the business model and cash flow characteristics, the debt financial assets can be classified as held at amortised cost, FVSI and FVOCI:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit (SPPP), and that are not designated at FVSI, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 2.6.3. Profit earned if any from these financial assets is recognised in the statement of income using the effective commission rate method.

Fair value through statement of income (FVSI): If the debt instrument's cash flows do not represent solely SPPP or if it is not held within the held to collect or the held to collect and sell business model, or if it is designated at FVSI, then it is measured at FVSI. A gain or loss on a debt investment measured at FVSI is recognised in the statement of income, within "Net gain / (loss) in investments mandatorily measured at FVSI", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value or which are not held for trading are presented separately from debt investments that are mandatorily measured at fair value through profit or loss, within "Net gain / (loss) in investments at FVSI".

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVSI, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in the statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of income.

The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period.

The Fund has classified its investments in equity at fair value through the statement of income (FVSI).

2 MATERIAL ACCOUNTING POLICIES (continued)

2.5 Financial instruments (continued)

2.5.3 Impairment of financial assets measured at amortised cost

The Fund assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt financial assets carried at amortised cost. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Under IFRS 9, loss allowances are measured on either of the following bases:

(a) 12-month ECLs: these ECLs that result from possible default events within the 12 months after the reporting date; and

(b) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date.

2.5.4 De-recognition of financial instruments

A financial asset is derecognised, when the contractual rights to the cash flows from the financial asset expire or the asset is transferred and the transfer qualifies for de-recognition. In instances where the Fund is assessed to have transferred a financial asset, the asset is derecognised if the Fund has transferred substantially all the risks and rewards of ownership. Where the Fund has neither transferred nor retained substantially all the risks and rewards of ownership, the financial asset is derecognised only if the Fund has not retained control of the financial asset. The Fund recognises separately as assets or liabilities any rights and obligations created or retained in the process.

A financial liability is derecognised only when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled or expired.

2.5.5 Financial liabilities

All financial liabilities are initially recognised at fair value less transaction costs except for financial liabilities measured at FVSI where transaction costs, if any, are not deducted from the fair value measurement at initial recognition and are included in the statement of income. The Fund classifies its financial liabilities at amortised cost unless it has designated liabilities at FVSI.

2.6 Trade date accounting

Regular way purchases or sales are purchases or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the marketplace. Regular way purchases and sales of financial assets are recognised / derecognised on the trade date (i.e., the date that the Fund commits to purchase or sell the assets).

2.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Accruals and other liabilities

Liabilities are recognised for amounts to be paid for goods or services received whether or not billed to the Fund. Accruals and other liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective commission rate method.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.9 Equity attributable to the Unitholders

Equity attributable to Unitholders is equity and is made up of units issued and retained earnings.

(a) Redeemable Units

The Fund classifies its redeemable units as an equity instrument if the redeemable units have all of the following features:

- It entitles the holder to a pro rata share of the Fund's equity in the event of the Fund's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's equity.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the statement of income, the change in the recognised equity or the change in the fair value of the recognised and unrecognised equity of the Fund over the life of the instrument.

In addition - in order to classify instruments as equity - the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised equity or the change in the fair value of the recognised and unrecognised equity of the Fund.
- The effect of substantially restricting or fixing the residual return to the instrument holders.

The Fund's redeemable participating units meet the definition of puttable instruments classified as equity instruments under IAS 32.16 A-B and accordingly, are classified as equity instruments.

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have any of the features or meet all the conditions set out in paragraphs 16A and 16B of IAS 32, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity attributable to Unitholders. If the redeemable units subsequently have all the features and meet the conditions set out in paragraphs 16A and 16B of IAS 32, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification. The subscription and redemption of redeemable units are accounted for as equity transactions as long as units are classified as equity.

The Fund's distributions, if any, are classified as dividends paid in the statement of changes in equity attributable to the Unitholders.

(b) Trading in the units

Units of the Fund are available for purchase only in the Kingdom of Saudi Arabia at Tadawul by natural and corporate persons. The equity value of the Fund is determined on every day from Sunday to Thursday ("Valuation Days") by dividing the net value of assets (fair value of total assets minus liabilities) by the total number of outstanding units on the relevant Valuation Day.

2.10 Taxation

Taxation is the obligation of the Unitholders and therefore, no provision for such liability is made in this interim financial information.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.11 Zakat

Zakat is the obligation of the Unitholders and therefore, no provision for such liability is made in this interim financial information.

2.12 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured, regardless of when payment is being made. Income is measured at the fair value of the consideration received, excluding discounts, taxes and rebates.

Net gains/(losses) on investments are presented on a net basis in the statement of income and comprise both realised and unrealised components.

Realised gains and losses are recognised on derecognition of an investment and are determined as the difference between the disposal proceeds and the weighted average (actual) cost of the investment, in accordance with the Fund's cost determination methodology, as at the date of disposal.

Unrealised gains and losses represent changes in the fair value of investments measured at fair value through the statement of income ("FVSI") and are calculated as the difference between the fair value of the investments at the reporting date and their carrying amount at the beginning of the period or at initial recognition, as applicable.

Dividend income is recognised in the statement of income when the Fund's right to receive payment is established (generally on the ex-dividend date). Dividend income is recorded on a gross basis, with any withholding tax deducted at source recognised as an expense in the period in which the related dividend income is recognised.

In accordance with the Shariah Board's resolutions, income prohibited by Shariah received by the Fund is excluded from the determination of income and is recorded as other liabilities in the statement of financial position. Such amount is determined based on the information available to the Fund Manager on the nature of earnings of investees upon the preparation of this interim financial information. Income prohibited by Shariah is paid to charities on a quarterly basis.

2.13 Management fee

Management fee is calculated at the rate mentioned in the Terms and Conditions of the Fund on each calendar day and deducted monthly.

2.14 Other expenses

Other expenses are charged at rates/amounts within the limits mentioned in the Terms and Conditions of the Fund.

2.15 Equity value per unit

The equity value per unit as disclosed in the statement of financial position is calculated by dividing the equity of the Fund by the number of units outstanding at period end.

2.16 Related party transactions

Related parties are defined as persons or entities that are related to the Fund in accordance with IAS 24 Related Party Disclosures. A related party is a person or entity that has control, joint control or significant influence over the Fund, or is a member of its key management personnel, or an entity that is controlled, jointly controlled or significantly influenced by such a person or entity.

For the purposes of this interim financial information, related parties of the Fund include: the Fund Manager, Albilad Investment Company, in its capacity as provider of key management and administrative services to the Fund members of the Fund Board, as key management personnel of the Fund; Bank Albilad, being the parent company of the Fund Manager and the Fund's banker; and other entities within the Bank Albilad group to the extent that the Fund enters into transactions with them (for example, bank balances, Murabaha placements or investments in sukuk issued by Bank Albilad or its subsidiaries).

(All amounts in Saudi Riyals '000' unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (continued)

2.16 Related party transactions (continued)

Other investment funds managed by the Fund Manager are regarded as related parties only where:

- the Fund holds an interest in such fund that gives it control or significant influence (typically where the Fund's holding represents 20% or more of the units or otherwise confers significant influence); or

- the Fund and such other fund are controlled, jointly controlled or significantly influenced by the same investor(s).

Service providers are not related parties under IAS 24 solely by virtue of providing services to the Fund. However, transactions and balances with such parties are disclosed as related party transactions if they meet the definition of a related party under IAS 24 (for example, where they are controlled by, or under common control with, a party that controls, jointly controls or has significant influence over the Fund).

3 MANAGEMENT FEE AND OTHER CHARGES

On each valuation day, the Fund Manager charges the Fund a management fee at the rate of 0.35% per annum of the Fund's net asset value. This fee includes custody fees of 0.05% of the Fund's net asset value of listed and unlisted financial securities and investment fund units, and 0.03% of the Fund's net asset value of money market transactions. The management fee is calculated on each calendar day and deducted monthly.

The Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund, such as audit and legal fees, and other similar charges.

4 CASH AND CASH EQUIVALENTS

	As at 30 June 2026 (Unaudited)
Custodian balances	3,071
	3,071

5 INVESTMENTS HELD AT FAIR VALUE THROUGH THE STATEMENT OF INCOME (FVSI)

The movement in investments is as follows:

	As at 30 June 2026 (Unaudited)
Balance at the beginning of the period	-
Purchase of investments	331,296
Sale of investments	(15,005)
Unrealised losses on re-measurement of investment, net	(21,449)
Balance at the end of the period	**294,842**

5.1 The following table presents the breakdown of net loss from investments held at fair value through the statement of income ("FVSI") for the period from 21 October 2025 to 30 June 2026:

	For the period from 21 October 2025 (date of commencement of operations) to 30 June 2026 (Unaudited)
Realised (loss) on sale of investments held at FVSI, net	(1,750)
Unrealised (loss) on remeasurement of investments held at FVSI, net	(21,449)
Net (loss) from investments held at FVSI	**(23,199)**

6 RELATED PARTY TRANSACTIONS AND BALANCES

Transactions with related parties

The following table contains the details of transactions with related parties:

Related party	**Nature of relationship**	**Nature of transaction**	**For the period from 21 October 2025 (date of commencement of operations) to 30 June 2026 (Unaudited)**
Albilad Investment Company	The Fund Manager	Management fee	**653**
Fund Board	Members of the Fund Board	Fund Board fee	**1**

The following table summarises the details of balances with related parties:

Nature of Balance	**Related Party**	**As at 30 June 2026 (Unaudited)**
Accrued management fee	Albilad Investment Company – the Fund Manager	**553**
Fund Board fee payable	Members of the Fund Board	**1**

7 FAIR VALUE ESTIMATION

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the reporting date. Instruments for which no sales were reported on the valuation day are valued at the most recent bid price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The estimated fair value of the Fund's financial assets and liabilities not carried at fair value, is not considered to be significantly different from their carrying values. The fair value of investments held at FVSI are based on quoted prices in active markets and are therefore classified within Level 1.

(All amounts in Saudi Riyals '000' unless otherwise stated)

7 FAIR VALUE ESTIMATION (continued)

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) at 30 June 2026:

		Fair value			
As at 30 June 2026 (Unaudited)	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value					
Cash and cash equivalents	**3,071**	**-**	**-**	**3,071**	**3,071**
Dividend receivable	**95**	**-**	**-**	**95**	**95**
Financial assets measured at fair value					
Investments held at FVSI	**294,842**	**294,842**	**-**	**-**	**294,842**
	298,008	**294,842**	**-**	**3,166**	**298,008**
Financial liabilities not measured at fair value					
Accrued management fee	**553**	**-**	**-**	**553**	**553**
Accruals and other liabilities	**54**	**-**	**-**	**54**	**54**
	607	**-**	**-**	**607**	**607**

8 FINANCIAL RISK MANAGEMENT

8.1 Financial risk factors

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 controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set 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.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange risk, commission rate risk and price risk.

The Fund is exposed to market risk due to its investment in equities held at FVSI. The Fund Manager closely monitors the price movements of the Fund's financial instruments and the performance of the MSCI Saudi Arabia Domestic Total Market Islamic M-Series Index. The Fund's portfolio constituents are evaluated based on the latest available closing market prices. Accordingly, the indicative unit price announced in the market may differ from the unit trading price. The Fund manages this risk through diversification of its investment portfolio by investing across various industry sectors.

(i) Foreign currency risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currency.

The Fund invests in equity securities listed on the Saudi Exchange (Tadawul) that are denominated in Saudi Riyals, the Fund's functional and presentation currency. The Fund did not have any foreign currency-denominated financial instruments during the period ended 30 June 2026. Accordingly, the Fund is not exposed to foreign exchange risk and no foreign currency sensitivity analysis has been presented.

(All amounts in Saudi Riyals '000' unless otherwise stated)

8 FINANCIAL RISK MANAGEMENT (continued)

8.1 Financial risk factors (continued)

(ii) Commission rate risk

Special commission rate risk arises from the possibility that changes in the market's special commission rates will affect future cash flows or the fair value of financial instruments. The Fund is not subject to special commission rate risks, as it does not have any financial instruments that carry special commission.

(iii) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of the financial instruments that the Fund holds. The Fund has investment in equity securities, which are classified as held at FVSI. The Fund Manager closely monitors the price movements of its financial instruments listed at Saudi Exchange (Tadawul). If the fair value of the investments held at FVSI changed by 5%, with all other variables held constant, the income for the period would have been higher / lower by SAR 14,742.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Fund is exposed to credit risk on the following:

	As at 30 June 2026 (Unaudited)
Cash and cash equivalents	3,071
Dividend receivable	95
	3,166

Cash and cash equivalents are held with the financial institutions with investment-grade credit ratings, therefore the impact of expected credit losses on these balances is insignificant. Dividend receivable was received subsequent to the period ended 30 June 2026.

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is an exchange traded fund and its units are traded on Tadawul in the secondary market. Creation and redemption of units in the primary market are carried out by the Fund Manager / authorised Market Maker in accordance with the Fund's Terms and Conditions. The Fund's listed equity investments are considered readily realisable, subject to normal market conditions. The Fund Manager monitors liquidity requirements on a regular basis to ensure that sufficient funds and liquid assets are available to meet the Fund's obligations as they arise, including management fees, other accrued expenses and settlement of creation and redemption transactions.

The expected maturity of the Fund's financial assets and financial liabilities is less than 12 months.

(All amounts in Saudi Riyals '000' unless otherwise stated)

8 FINANCIAL RISK MANAGEMENT (continued)

8.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The maturity profile of financial assets and liabilities is as follows:

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
As at 30 June 2026 (Unaudited)					
Financial assets					
Cash and cash equivalents	3,071	-	-	-	3,071
Investments held at FVSI	294,842	-	-	-	294,842
Dividend receivable	95	-	-	-	95
	298,008	-	-	-	298,008
Financial liabilities					
Accrued management fee	553	-	-	-	553
Accruals and other liabilities	54	-	-	-	54
	607	-	-	-	607
Liquidity gap	297,401	-	-	-	297,401

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders. Operational risks are managed through a structured internal control and governance framework established by the Fund Manager and the Fund's service providers. The Fund Manager's risk management and compliance functions perform regular monitoring and reporting of operational risk incidents and control deficiencies, and remedial actions are taken as necessary to mitigate identified risks and strengthen the control environment.

8.2 Capital risk management

The Fund's equity may vary from one Valuation Day to another as a result of issuances and redemptions of units, as well as changes in the Fund's performance. The Fund's objective when managing capital is to safeguard its ability to continue as a going concern, provide returns to Unitholders and maintain a strong capital base to support the development of the Fund's investment activities.

In order to maintain its capital structure, the Fund monitors the level of issuances and redemptions relative to the liquidity of its underlying assets and the Fund's obligations.

9 FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and financial liabilities as at 30 June 2026 are classified under amortised cost category except for investments held at FVSI which are classified and measured at fair value.

10 SEGMENT REPORTING

The Fund holds a portfolio of equity instruments of entities listed on Saudi Exchange (Tadawul). The Fund Manager periodically assesses the performance and allocates resources to the business as one unit and, as such, no separate operating segments were identified for financial reporting purposes. Consequently, segment reporting as required by IFRS 8 'Operating Segments' has not been disclosed.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2026.

12 SUBSEQUENT EVENTS

There were no subsequent events after 30 June 2026 and up to the date of approval of this interim financial information that require adjustment to, or disclosure in, this interim financial information.

13 LAST VALUATION DAY

In accordance with the Terms and Conditions of the Fund, the last valuation day for the purpose of the preparation of this interim financial information for the period was 30 June 2026.

14 DIVIDENDS

In accordance with the Fund’s Terms and Conditions, dividends resulting from investing in the Fund’s assets are reinvested and the Fund does not distribute periodic dividends to Unitholders. Accordingly, no dividends or distributions to Unitholders were declared or paid by the Fund during the period ended 30 June 2026.

15 APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This interim financial information was approved and authorised for issuance by the Fund Board on 10th August 2026.