

SAUDI FRANSI GCC IPO FUND
(Managed by Saudi Fransi Capital)

CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021
TOGETHER WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT

SAUDI FRANSI GCC IPO FUND
(Managed by Saudi Fransi Capital)

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FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021
AND INDEPENDENT AUDITOR'S REVIEW REPORT

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

**TO: THE UNITHOLDERS OF
SAUDI FRANSI GCC IPO FUND
(Managed by Saudi Fransi Capital)**

Introduction:

We have reviewed the accompanying condensed interim financial statements of **Saudi Fransi GCC IPO Fund ("the Fund")** managed by Saudi Fransi Capital (the "Fund Manager"), which comprises the condensed interim statement of financial position as at 30 June 2021 and the related condensed interim statements of comprehensive income, changes in net assets and cash flows for the six month period then ended and notes to the condensed interim financial information, including a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). Our responsibility is to express a conclusion on this condensed 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 condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not present fairly, in all material respects, the financial position of the Fund as at 30 June 2021, and its financial performance and its cash flows for the six months period then ended, in accordance with International Accounting Standard 34 - "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA").



**Al Azem, Al Sudairy, Al Shaikh & Partners
Certified Public Accountants**


**Abdullah M. Al Azem
License No. 335**

09 Muharram 1443H (17 August 2021)
Riyadh, Saudi Arabia

SAUDI FRANSI GCC IPO FUND
(Managed by Saudi Fransi Capital)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	<i>Notes</i>	30 June 2021 (Un-Audited) SR	31 December 2020 (Audited) SR
<u>ASSETS</u>			
Cash and cash equivalents	7	10,807,874	4,195,815
Investments measured at fair value through profit or loss	8	237,483,661	213,288,881
Prepaid expenses and other receivables		36,559	15,165
Dividend receivable		-	290,939
TOTAL ASSETS		248,328,094	217,790,800
<u>LIABILITIES</u>			
Management fee payable	10	407,344	365,891
Accruals and other liabilities		53,783	48,101
TOTAL LIABILITIES		461,127	413,992
Net assets attributable to the Unit Holders		247,866,967	217,376,808
Units in issue		22,351,073	23,840,231
Net assets attributable to each unit		11.0897	9.1181

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

SAUDI FRANSI GCC IPO FUND
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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For the six-months period ended 30 June 2021

		<i>For the six- months period ended 30 June 2021 SR</i>	<i>For the six- months period ended 30 June 2020 SR</i>
	<i>Notes</i>		
<u>INVESTMENT INCOME / (LOSS)</u>			
Net gain / (loss) on investments measured at fair value through profit or loss	9	44,632,737	(30,438,300)
Dividend income		3,393,271	1,733,827
Other income		31,795	15,878
Foreign exchange gains		154,171	11,784
		48,211,974	(28,676,811)
<u>EXPENSES</u>			
Management fees	10	(2,292,449)	(1,961,432)
Other expenses		(431,633)	(207,240)
		(2,724,082)	(2,168,672)
NET INCOME / (LOSS) FOR THE PERIOD		45,487,892	(30,845,483)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		45,487,892	(30,845,483)

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

SAUDI FRANSI GCC IPO FUND
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CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (UN-AUDITED)
For the six-months period ended 30 June 2021

	<i>For the six- months period ended 30 June 2021 SR</i>	<i>For the six- months period ended 30 June 2020 SR</i>
NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS AT THE BEGINNING OF THE PERIOD	217,376,808	252,327,226
CHANGES FROM OPERATIONS		
Net income / (loss) for the period	45,487,892	(30,845,483)
Total comprehensive income / (loss) /	45,487,892	(30,845,483)
CHANGES FROM UNIT TRANSACTIONS		
Proceeds from units sold	2,086,447	198,058
Value of units redeemed	(17,084,180)	(33,005,005)
Net change from unit transactions	(14,997,733)	(32,806,947)
NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS AT THE END OF THE PERIOD	247,866,967	188,674,796

UNIT TRANSACTIONS

Transactions in units during the periods are summarised as follows:

	<i>For the six- months period ended 30 June 2021 Units</i>	<i>For the six- months period ended 30 June 2020 Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	23,840,231	30,727,792
Units sold	207,321	24,852
Units redeemed	(1,696,478)	(4,475,179)
Net change in units	(1,489,157)	(4,450,327)
UNITS AT THE END OF THE PERIOD	22,351,074	26,277,465

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

SAUDI FRANSI GCC IPO FUND
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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the six-months period ended 30 June 2021

	<i>Notes</i>	<i>For the six- months period ended 30 June 2021 SR</i>	<i>For the six- months period ended 30 June 2020 SR</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the period		45,487,892	(30,845,483)
Adjustments to reconcile net (income) / loss for the period to net cash generated from operating activities:			
Unrealised (gain) / loss on investments measured at fair value through profit or loss	9	(24,702,937)	(4,915,756)
		20,784,955	(35,761,239)
Changes in operating assets and liabilities:			
Investments measured at fair value through profit or loss		508,157	80,835,845
Prepayments and other receivables		(21,394)	(2,640)
Dividend receivables		290,939	-
Management fee payable		41,453	(87,368)
Accruals and other liabilities		5,682	12,299
Net cash flow from operating activities		21,609,792	44,996,897
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units sold		2,086,447	198,058
Value of units redeemed, net of redemption payable		(17,084,180)	(32,796,390)
Net cash flow (used in) financing activities		(14,997,733)	(32,598,332)
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,612,059	12,398,565
Cash and cash equivalents at the beginning of the period		4,195,815	4,945,442
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		10,807,874	17,344,007

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

SAUDI FRANSI GCC IPO FUND
(Managed by Saudi Fransi Capital)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-months period ended 30 June 2021

1. GENERAL

Saudi Fransi GCC IPO Fund (the “Fund”) is an open-ended Shariah compliant investment fund based on an agreement between Saudi Fransi Capital (the “Fund Manager”) and investors (the “Unitholder”). The Fund commenced its operations on 7 Ramadan 1436H (corresponding to 24 June 2015).

The objective of the Fund is to provide long term capital growth by investing in initial public offerings and newly listed companies during their first five years of listing in the stock markets of the Gulf Cooperation Council (GCC) Countries. Further, the Fund has the authority to invest in rights issues for the companies listed in the Saudi stock market. Moreover, the Fund can also invest in shares and rights issues of the companies that were registered and accepted for listing in the parallel market.

During the period, the Fund updated its terms and conditions, which have been approved by the Capital Market Authority “CMA” on 20 Rajab 1442H (corresponding to 04 March 2021).

The Fund Manager and Administrator of the Fund is Saudi Fransi Capital. The Custodian of the Fund is HSBC Saudi Arabia.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and amended by resolution of the Board of the Capital Market Authority on 12 Rajab 1442H (corresponding to 24 February 2021) effective from 19 Ramadan 1442H (corresponding to 1 May 2021) by the New Investment Fund Regulations (“Amended Regulations”) published by the Capital Market Authority on 17 Rajab 1442H (corresponding to 1 March 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Certified Public Accountants (“SOCPA”).

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, therefore, these should be read in conjunction with the Fund’s annual audited financial statements as at and for the year ended 31 December 2020.

Assets and liabilities in these condensed interim statement of financial position are presented in the order of liquidity.

An analysis in respect of recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 12.

3.2 BASIS OF MEASUREMENT

The condensed interim financial statements are prepared under the historical cost convention, using the accrual basis of accounting except for investment measured at fair value through profit or loss (FVTPL) that are measured at fair value.

3.3 FUNCTIONAL CURRENCY

These condensed interim financial statements are presented in Saudi Riyal (“SR”), which is the Fund’s functional currency.

SAUDI FRANSI GCC IPO FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the six-months period ended 30 June 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting and risk management policies used in the preparation of these condensed interim financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2020.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Going concern

The Fund Manager made an assessment of the Fund's ability to continue as a going concern and is 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 a going concern. Therefore, the condensed interim financial statements continue to be prepared on the going concern basis.

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

New IFRS, amendments and interpretations issued not yet effective and not early adopted

There are several standards and interpretations that are issued, but not yet effective, up to the date of the Fund's condensed interim financial statements. In the opinion of the Board, these standards will have no significant impact on the condensed interim financial statements of the Fund. The Fund intends to adopt these standards, if applicable.

7. CASH AND CASH EQUIVALENTS

	30 June 2021 (Un-Audited) SR	31 December 2020 (Audited) SR
Cash at bank (See note below)	16,625	4,528
Cash with the custodian	10,791,249	4,191,287
	10,807,874	4,195,815

This cash is deposited in current account maintained with Banque Saudi Fransi (Note 10).

The management has conducted a review as required under IFRS 9 and based on such an assessment, the management believes that there is no need for any expected credit loss allowance against the carrying value of bank balances.

SAUDI FRANSI GCC IPO FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the six-months period ended 30 June 2021

8. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

These investments are composed of the following:

	30 June 2021 (Un-Audited) SR	31 December 2020 (Audited) SR
Investments in equities (see "a" below)	237,483,661	213,288,881
	237,483,661	213,288,881

a.) The sector-wise composition of investments in equities on the last valuation day of the period / year is summarized below:

	30 June 2021 (Un-Audited)		
<u>Equity Sectors</u>	Cost SR	Market Value SR	% of Market Value
Banks	13,477,615	13,017,182	5.48
Consumer Services	22,450,731	30,578,004	12.88
Energy	41,290,070	39,552,975	16.66
Food & Staples Retailing	13,655,689	13,952,047	5.87
Health Care Equipment & Services	16,176,184	33,715,915	14.20
Information Technology	8,044,706	14,844,649	6.25
Materials	11,142,563	19,190,370	8.08
Real Estate Management & Development	14,214,606	14,811,279	6.24
Retailing	7,997,524	10,874,054	4.58
Shares - Other Foreign	55,479,750	46,947,186	19.76
Total investment portfolio	203,929,438	237,483,661	100.00

	31 December 2020 (Audited)		
<u>Equity Sectors</u>	Cost SR	Market Value SR	% of Market Value
Commercial and Professional Services	13,630,610	14,574,294	6.83
Consumer Services	9,445,969	14,302,510	6.71
Energy	32,207,190	30,020,620	14.08
Health Care Equipment and Services	7,964,700	17,363,046	8.14
Information technology	8,407,920	9,403,646	4.41
Materials	21,766,448	26,112,718	12.24
Real Estate Investment Trust	6,585,140	9,038,428	4.24
Real Estate Management & Development	17,801,238	17,150,808	8.04
Food and beverage	11,627,484	12,767,986	5.99
Retailing	9,638,285	10,759,470	5.04
Shares - Other Foreign	65,362,351	51,795,35 [•]	24.28
Total investment portfolio	204,437,335	213,28[^],881	100.00

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the six-months period ended 30 June 2021

8. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The geographical composition of investments in equities on the last valuation day of the period / year is summarized below:

Description by geographical segment

	<i>Cost SR</i>	<i>Market value SR</i>
<u>30 June 2021 (Un-Audited)</u>		
Saudi Arabia	148,449,688	190,536,475
United Arab Emirates	55,479,750	46,947,186
	203,929,438	237,483,661

Description by geographical segment

	<i>Cost SR</i>	<i>Market value SR</i>
<u>31 December 2020 (Audited)</u>		
Saudi Arabia	139,074,984	161,493,525
United Arab Emirates	49,027,839	31,701,765
Kuwait	16,334,512	20,093,591
	204,437,335	213,288,881

9. NET GAIN / (LOSS) ON INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>For the six- months period ended 30 June 2021 SR</i>	<i>For the six- months period ended 30 June 2020 SR</i>
Realised gain / (loss), net	19,929,800	(35,354,056)
Movement in unrealised gain / (loss), net	24,702,937	4,915,756
	44,632,737	(30,438,300)

SAUDI FRANSI GCC IPO FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-months period ended 30 June 2021

10. TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include Saudi Fransi Capital ("the Fund Manager"), Banque Saudi Fransi (the Bank and the shareholder of the Fund Manager), the Funds' Board of Directors (BOD), affiliates of the Fund Manager, the Funds managed by the Fund Manager and the Unit holders of the Fund.

In the ordinary course of its activities, the Fund transacts business with related parties.

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.75% per annum plus applicable taxes calculated on the total net assets value on daily basis. The fee is intended to compensate the Fund Manager for administration and management of the Fund.

Subscription fee up to 3 percent of the invested amount is adjusted by deduction from the gross subscription, hence, it does not affect or reflect in the financial statements of the Fund.

Related party transactions for the periods ended and balances are as follows:

<i>Name of related party</i>	<i>Nature of transactions</i>	<i>Amount of Transactions</i>		<i>Balance Receivable / (Payable)</i>	
		<i>For the period ended 30 June 2021</i>	<i>For the period ended 30 June 2020</i>	<i>30 June 2021 (Un-Audited)</i>	<i>31 December 2020 (Audited)</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Saudi Fransi Capital	Management fee	(2,292,449)	(1,961,432)	(407,344)	(365,891)
	Brokerage fee	43,645	(3,987)	--	--
Board of Directors	Annual remuneration	(1,948)	(2,586)	17	--

The units in issue as at 30 June 2021 include 105,446 units held by the employees of Banque Saudi Fransi and Saudi Fransi Capital (31 December 2020: 149,545 units).

At the end of the period, cash balance with the Banque Saudi Fransi is SR 16,625 (31 December 2020: SR 4,528).

During the period, the Fund has obtained funding from Saudi Fransi Capital amounting to SR 4.9 million (30 June 2020: SR Nil) in order to invest in Initial Public Offering (IPO). The funding amount was re-paid to Saudi Fransi Capital during the period. The funding was received with zero markup.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-months period ended 30 June 2021

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability the principal or the most advantageous market must be accessible to the Fund.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted market price: financial instruments with quoted unadjusted prices for identical instruments in active markets.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.

Level 3: valuation techniques for which any significant input is not based on observable market data.

The Fund's financial assets consist of bank balance, investments held at FVTPL and investments held at amortised cost. The Fund's financial liabilities consist of management fee payable and accruals and other liabilities.

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	<i>Carrying value SR</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
30 June 2021 (Un-Audited)					
Investments measured at FVTPL	237,483,661	237,483,661	--	--	237,483,661
31 December 2020 (Audited)					
Investments measured at FVTPL	213,288,881	213,288,881	-	-	213,288,881

During the six months period ended 30 June 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six-months period ended 30 June 2021

12. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

<i>30 June 2021 (Un-Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	10,807,874	--	10,807,874
Investments measured at fair value through profit or loss	237,483,661	--	237,483,661
Prepaid expenses and other receivables	36,559	--	36,559
TOTAL ASSETS	248,328,094	-	248,328,094
LIABILITIES			
Management fee payable	407,344	--	407,344
Accruals and other liabilities	53,783	--	53,783
TOTAL LIABILITIES	461,127	--	461,127
<i>31 December 2020 (Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	4,195,815	-	4,195,815
Investments measured at fair value through profit or loss	213,288,881	-	213,288,881
Dividend receivables	290,939	--	290,939
Prepaid expenses and other receivables	15,165	--	15,165
TOTAL ASSETS	217,790,800	-	217,790,800
LIABILITIES			
Management fee payable	365,891	-	365,891
Accruals and other liabilities	48,101	-	48,101
TOTAL LIABILITIES	413,992	-	413,992

13. LAST VALUATION DAY

The last valuation day of the period was 30 June 2021 (31 December 2020: 31 December 2020).

14. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Board on 09 Muharram 1443H (corresponding to 17 August 2021).