

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

INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022
TOGETHER WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT

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

INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022
AND INDEPENDENT AUDITOR'S REVIEW REPORT

INDEX	PAGE
Report on review of interim condensed financial statements	1
Interim condensed statement of financial position	2
Interim condensed statement of comprehensive income	3
Interim condensed statement of changes in equity attributable to the unitholders	4
Interim condensed statement of cash flows	5
Notes to the interim condensed financial statements	6-11



Report on review of interim condensed financial statements

To the Unitholders and the Fund Manager of
Saudi Fransi GCC IPO Fund

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Saudi Fransi GCC IPO Fund (the "Fund") as of 30 June 2022 and the related interim condensed statements of comprehensive income, changes in equity attributable to the unitholders and cash flows for the six-month period then ended and other explanatory notes. Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements 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 these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information performed by the Independent Auditor of the Entity"*, 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 condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471

23 August 2022

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

		<i>As at 30 June 2022 (Unaudited) SR</i>	<i>As at 31 December 2021 (Audited) SR</i>
	<i>Note</i>		
<u>ASSETS</u>			
Cash and cash equivalents	7	15,206,667	12,745,406
Investments measured at fair value through profit or loss (FVTPL)	8	301,280,854	274,904,560
Due from related party		3,533,208	-
Prepayments and other assets		39,393	3,364,164
TOTAL ASSETS		320,060,122	291,014,130
<u>LIABILITIES</u>			
Management fee payable	10	539,578	489,050
Accruals and other liabilities	11	173,609	2,841,050
TOTAL LIABILITIES		713,187	3,330,100
Equity attributable to the Unitholders		319,346,935	287,684,030
Units in issue		23,941,029	24,178,132
Equity per unit in Saudi Riyals		13.3389	11.8985

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

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

		<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
<u>INCOME</u>			
Net gain on investments measured at FVTPL	9	35,480,998	44,632,737
Dividend income		3,904,900	3,393,271
Other income		56	31,795
Foreign exchange (loss) /gains		(550,655)	154,171
		<u>38,835,299</u>	<u>48,211,974</u>
<u>EXPENSES</u>			
Management fees	10	(3,222,696)	(2,292,449)
Other expenses		(548,477)	(431,633)
		<u>(3,771,173)</u>	<u>(2,724,082)</u>
NET INCOME FOR THE PERIOD		<u>35,064,126</u>	<u>45,487,892</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>35,064,126</u>	<u>45,487,892</u>

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

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

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (UN-AUDITED)

	<i>For the six-month period ended 30 June 2022 SR</i>	<i>For the six-month period ended 30 June 2021 SR</i>
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD	287,684,030	217,376,808
CHANGES FROM OPERATIONS		
Total comprehensive income for the period	35,064,126	45,487,892
CHANGES FROM UNIT TRANSACTIONS		
Proceeds from units sold	14,287,333	2,086,447
Payment against units redeemed	(17,688,554)	(17,084,180)
Net change from unit transactions	(3,401,221)	(14,997,733)
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD	319,346,935	247,866,967
UNIT TRANSACTIONS		
Transactions in units during the period are summarised as follows:		
	<i>For the six-month period ended 30-Jun-22 Units</i>	<i>For the six-month period ended 30-Jun-21 Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	24,178,132	23,840,231
Units sold	1,115,348	207,321
Units redeemed	(1,352,451)	(1,696,478)
Net change in units	(237,103)	(1,489,157)
UNITS AT THE END OF THE PERIOD	23,941,029	22,351,074

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

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the six-month period ended 30 June 2022

		<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period		35,064,126	45,487,892
<i>Adjustments to reconcile net income for the period to net cash generated from operating activities:</i>			
Unrealised gain on investments measured at FVTPL	9	(5,462,603)	(24,702,937)
		29,601,523	20,784,955
Changes in operating assets and liabilities:			
Investments measured at FVTPL		(20,913,691)	508,157
Prepayments and other assets		3,324,771	(21,394)
Due (from) / to related party		(6,303,394)	290,939
Management fee payable		50,528	41,453
Other accruals and other liabilities		102,745	5,682
Net cash generated from operating activities		5,862,482	21,609,792
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units issued, net		14,287,333	2,086,447
Payments against units redeemed, net		(17,688,554)	(17,084,180)
Net cash used in financing activities		(3,401,221)	(14,997,733)
NET CHANGE IN CASH AND CASH EQUIVALENTS		2,461,261	6,612,059
Cash and cash equivalents at the beginning of the period		12,745,406	4,195,815
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		15,206,667	10,807,874

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

1. GENERAL

Saudi Fransi GCC IPO Fund (the “Fund”) is an open-ended Shariah compliant investment fund established based on an agreement between Saudi Fransi Capital Company (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 07 Rajab 1443H (corresponding to 8 February 2022).

The Fund Manager and Administrator of the Fund is Saudi Fransi Capital Company. 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) in addition to the new amendment Number 2-22-2021 issued on 12 Rajab 1442H (Corresponding to 24 February 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These interim condensed 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 as issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, therefore, these should be read in conjunction with the Fund’s annual audited financial statements as at and for the year ended 31 December 2021. The results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

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

3.2 BASIS OF MEASUREMENT

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

3.3 FUNCTIONAL CURRENCY

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting and risk management policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2021 except as mentioned in Note 6.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the interim condensed 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. The significant accounting estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the financial statements for the year ended 31 December 2021.

5.1 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, these interim condensed financial statements continue to be prepared on the going concern basis.

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standards, interpretations and amendments adopted by the Fund

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after 1 January 2022. The management has assessed that the amendments have no significant impact on the Fund's interim condensed financial statements.

- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16

The listing of standards and interpretations issued which the Fund reasonably expects to be applicable at a future date are as follows. The Fund intends to adopt these standards when they become effective.

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	Disclosure of Accounting Policies	1 January 2023
IFRS 17, 'Insurance contracts'	New Insurance standard	1 January 2023
Amendments to IAS12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

7. CASH AND CASH EQUIVALENTS

	<i>30 June 2022 (Un-Audited) SR</i>	<i>31 December 2021 (Audited) SR</i>
Cash at bank (See note below)	111,689	2,578,821
Cash with the custodian	15,094,978	10,166,585
	15,206,667	12,745,406

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 effect of expected credit loss allowance against the carrying value of cash and cash equivalents is insignificant as the balances are held with investment grade credit rated financial institutions and therefore has not been recognised in these interim condensed financial statements.

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

The sector-wise composition of investments in equities measured at fair value through profit or loss (FVTPL) on the last valuation day of the period is summarized below:

	<i>As at 30 June 2022 (Un-Audited)</i>		
<u>Equity Sectors</u>	<i>Cost SR</i>	<i>Market Value SR</i>	<i>% of Market Value</i>
Shares - other foreign	89,127,224	76,533,474	25.41
Energy	39,124,397	59,169,563	19.64
Health care equipment and services	23,856,883	43,801,659	14.54
Materials	21,407,475	20,497,673	6.80
Consumer services	14,276,405	19,274,786	6.40
Real estate management & development	19,772,312	15,807,666	5.25
Telecommunication services	12,687,815	15,737,759	5.22
Information technology	5,746,431	11,447,970	3.80
Food and beverages	12,740,941	11,427,558	3.79
Food & staples retailing	13,655,689	11,332,890	3.76
Banks and financial services	6,117,510	11,011,518	3.65
Cements	5,015,224	5,238,338	1.74
Total investment portfolio	263,528,306	301,280,854	100.00

	<i>As at 31 December 2021 (Audited)</i>		
<u>Equity Sectors</u>	<i>Cost SR</i>	<i>Market Value SR</i>	<i>% of Market Value</i>
Energy	59,550,990	62,970,307	22.91
Shares - other foreign	57,898,369	52,716,563	19.18
Information technology	20,732,522	32,670,637	11.88
Health care equipment and services	15,848,984	30,513,501	11.10
Retailing	22,148,393	22,675,373	8.25
Materials	17,973,376	19,834,355	7.21
Commercial and professional services	14,409,156	18,878,396	6.87
Consumer services	12,330,688	13,637,507	4.96
Real estate management & development	14,214,606	12,764,835	4.64
Food and beverage	7,437,613	8,243,086	3.00
Total investment portfolio	242,544,697	274,904,560	100.00

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the six-month period ended 30 June 2022

8. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) - (continued)

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

Description by geographical segment

	<i>Cost SR</i>	<i>Market value SR</i>
<u>30 June 2022 (Un-Audited)</u>		
Saudi Arabia	174,401,083	224,747,380
United Arab Emirates	66,500,795	58,284,446
Qatar	22,626,428	18,249,028
	263,528,306	301,280,854
	<i>Cost SR</i>	<i>Market value SR</i>
<u>31 December 2021 (Audited)</u>		
Saudi Arabia	184,646,328	222,187,997
United Arab Emirates	52,730,821	48,186,963
Qatar	5,167,548	4,529,600
	242,544,697	274,904,560

The effect on the equity as a result of the change in the fair value of investments as at 30 June 2022 (Un-Audited) and 31 December 2021 (Audited) due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constants is as follows:

	30 June 2022 (Un-audited)		31 December 2021 (Audited)	
	Potential reasonable change %	Effect on Equity	Potential reasonable change %	Effect on Equity
Shares - other foreign	±1%	765,335	±1%	527,166
Energy	±1%	591,696	±1%	629,703
Health care equipment & services	±1%	438,017	±1%	305,135
Materials	±1%	204,977	±1%	198,344
Consumer services	±1%	192,748	±1%	136,375
Real estate management & development	±1%	158,077	±1%	127,648
Telecommunication services	±1%	157,378	±1%	-
Information technology	±1%	114,480	±1%	326,706
Food & beverages	±1%	114,276	±1%	82,431
Food & staples retailing	±1%	113,329	±1%	-
Banks and financial services	±1%	110,115	±1%	-
Cements	±1%	52,383	±1%	-
Commercial and professional services	±1%	-	±1%	188,784
Retailing	±1%	-	±1%	226,754
		3,012,811		2,749,046

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

For the six-month period ended 30 June 2022

9. NET GAIN ON INVESTMENTS MEASURED AT FVTPL

	<i>For the six-month period ended 30 June 2022 SR (Un-Audited)</i>	<i>For the six-month period ended 30 June 2021 SR (Un-Audited)</i>
Realised gain on sale of investments measured at FVTPL, net	30,023,083	19,929,800
Unrealised gain on remeasurement of investments at FVTPL, net	5,462,603	24,702,937
	35,485,686	44,632,737

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 Company ("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% (2021: 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 2022 (Un-Audited) SR</i>	<i>For the period ended 30 June 2021 (Un-Audited) SR</i>	<i>As at 30 June 2022 (Un-Audited) SR</i>	<i>As at 31 December 2021 (Audited) SR</i>
Saudi Fransi Capital Company	Management fee	(3,222,696)	(2,292,449)	(539,578)	(489,050)
	Due from / to broker	-	-	3,528,114	(2,775,280)
	Brokerage fee	51,083	43,645	-	-
Board of Directors	Annual remuneration	(2,634)	(1,948)	(2,634)	-

The units in issue as at 30 June 2022 include 109,558 units held by the employees of Banque Saudi Fransi and Saudi Fransi Capital Company (31 December 2021: 106,409 units).

At the end of the period, cash balance with the Banque Saudi Fransi is SR 111,689 (31 December 2021: SR 2,578,821).

No funding was obtained from Saudi Fransi Capital Company during the six-month period ended 30 June 2022 (30 June 2021: SR 4.9 million)

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

11. ACCRUALS AND OTHER LIABILITIES

		30 June 2022 (Un-Audited) SR	31 December 2021 (Audited) SR
	Note		
Due to related party (Saudi Fransi Capital Company)	10	5,094	2,775,280
Others		168,515	65,770
		173,609	2,841,050

12. 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 other assets. 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. The fair value of investments measured at FVTPL are based on quoted prices in active markets and are therefore classified within Level 1.

	Carrying value SR	Level 1 SR	Total SR
30 June 2022 (Un-Audited)			
Investments measured at FVTPL	301,280,854	301,280,854	301,280,854
31 December 2021 (Audited)			
Investments measured at FVTPL	274,904,560	274,904,560	274,904,560

During the six months period ended 30 June 2022, 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.

13. LAST VALUATION DAY

The last valuation day for the purpose of preparation of these interim condensed financial statements for the six-month period was 30 June 2022 (31 December 2021).

14. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorised for issue by the Fund Board on 24 Muharram 1444H (corresponding to 22 August 2022G).