SAUDI FRANSI GCC IPO FUND

(Open-Ended Fund)

(Managed by Saudi Fransi Capital Company)

FINANCIAL STATEMENTS
together with
THE INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL STATEMENTS
For the year ended 31 December 2024

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Independent auditor's report to the Unitholders and Fund Manager of Saudi Fransi GCC IPO Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saudi Fransi GCC IPO Fund (the "Fund") as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity attributable to the Unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund and Fund Manager in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Other information

Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's Annual Report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Fund's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

PricewaterhouseCoopers Public Accountants (Professional Limited Liability Company), CR No. 1010371622, Share Capital SR 500,000, National Address: 2239 Al Urubah Road, Al Olaya District, Postal Code 12214 Secondary No. 9597, Riyadh, Kingdom of Saudi Arabia, Physical Address: Kingdom Tower 24th Floor
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Independent auditor's report to the Unitholders and Fund Manager of Saudi Fransi GCC IPO Fund (continued)

Responsibilities of Fund Manager and those charged with governance for the financial statements

Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Investment Funds Regulations issued by the Capital Market Authority, the Fund's terms and conditions and information memorandum, and for such internal control as Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Fund Board, is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Fund Manager.

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Independent auditor's report to the Unitholders and Fund Manager of Saudi Fransi GCC IPO Fund (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

Waleed A. Alhidiri
License Number 559

18 March 2025

STATEMENT OF FINANCIAL POSITION

	Note	**As at 31 December 2024**	*As at 31 December 2023*
ASSETS			
Cash and cash equivalents	7	**13,164,611**	27,342,762
Investments measured at fair value through profit or loss (FVTPL)	8	**207,426,066**	354,762,826
Receivable from Initial Public Offering (IPO)		**7,900,558**	-
Due from a broker		**-**	63,423
Other assets		**-**	6,590
TOTAL ASSETS		**228,491,235**	382,175,601
LIABILITIES			
Management fee payable	10	**415,808**	592,780
Payables against units redeemed		**1,758,693**	-
Accruals and other liabilities		**131,026**	115,504
TOTAL LIABILITIES		**2,305,527**	708,284
Equity attributable to the Unitholders		**226,185,708**	381,467,317
Units in issue		**10,927,162**	20,798,357
Equity per unit in Saudi Riyals		**20.6994**	18.3412

(All amounts are in Saudi Riyals unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

	Note	***For the year ended 31 December 2024***	*For the year ended 31 December 2023*
INCOME			
Net gain on investments measured at FVTPL	9	**28,840,654**	101,516,059
Dividend income		**5,085,605**	10,763,270
Other income		**16,297**	14
		33,942,556	112,279,343
EXPENSES			
Management fees	10	**(4,683,804)**	(6,726,892)
Other expenses	11	**(979,615)**	(1,047,746)
		(5,663,419)	(7,774,638)
NET INCOME FOR THE YEAR		**28,279,137**	104,504,705
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**28,279,137**	104,504,705

The accompanying notes from 1 to 18 form an integral part of these financial statements.

(All amounts are in Saudi Riyals unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS

	For the year ended 31 December 2024	*For the year ended 31 December 2023*
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE YEAR	**381,467,317**	286,085,470
CHANGES FROM OPERATIONS		
Total comprehensive income for the year	**28,279,137**	104,504,705
CHANGES FROM UNIT TRANSACTIONS		
Value of units issued	**41,995,042**	14,336,144
Value of units redeemed	**(225,555,788)**	(23,459,002)
Net change from unit transactions	**(183,560,746)**	(9,122,858)
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE YEAR	**226,185,708**	381,467,317

UNIT TRANSACTIONS

Transactions in units during the years are summarised as follows:

	For the year ended 31 December 2024 Units	*For the year ended 31 December 2023 Units*
UNITS AT THE BEGINNING OF THE YEAR	**20,798,357**	21,383,362
Units issued	**2,150,444**	854,934
Units redeemed	**(12,021,639)**	(1,439,939)
Net change in units	**(9,871,195)**	(585,005)
UNITS AT THE END OF THE YEAR	**10,927,162**	20,798,357

(All amounts are in Saudi Riyals unless otherwise stated)

STATEMENT OF CASH FLOWS

	Note	***For the year ended 31 December 2024***	*For the year ended 31 December 2023*
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		**28,279,137**	104,504,705
Adjustments to reconcile net income for the year to net cash generated from operating activities:			
Unrealized loss / (gain) on investments measured at FVTPL	9	**47,936,930**	(78,984,104)
		76,216,067	25,520,601
Changes in operating assets and liabilities:			
Investments measured at FVTPL		**99,399,830**	(11,620,913)
Receivable from IPO		**(7,900,558)**	-
Due from a broker		**63,423**	9,195,925
Other assets		**6,590**	14,699
Due to brokers		**-**	(12,360,758)
Management fee payable		**(176,972)**	135,857
Accruals and other liabilities		**15,522**	(48,424)
Net cash generated from operating activities		**167,623,902**	10,836,987
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units issued, net		**41,995,042**	14,361,890
Payment against units redeemed, net		**(223,797,095)**	(23,459,002)
Net cash used in financing activities		**(181,802,053)**	(9,097,112)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(14,178,151)**	1,739,875
Cash and cash equivalents at the beginning of the year		**27,342,762**	25,602,887
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	**13,164,611**	27,342,762

1. GENERAL

Saudi Fransi GCC IPO Fund (the "Fund") is an open-ended Shariah compliant equity fund established based on an agreement between Saudi Fransi Capital Company (the "Fund Manager" or "BSF Capital") and investors (the "Unitholder"). The Fund commenced its operations on 7 Ramadan 1436H (corresponding to 24 June 2015). The Fund is registered with Zakat, Tax and Customs Authority registration number 3119618174 dated 19 December 2023 (corresponding to 06 Jumada Al-Akhirah 1445H).

The objective of the Fund is to achieve long term capital growth by investing in Shariah compliant GCC IPOs and newly listed GCC stock market companies that have been listed for no more than five years. It also has the right to invest in Shariah-compliant tradable rights of companies listed on the Saudi stock market ("Tadawul"), as well as invest in shares that have been registered and accepted for listing in the parallel market and the tradable rights of these companies. The Fund also aims to outperform its benchmark (Ideal Rating IPO Index).

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

2. REGULATORY AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the Capital Market Authority (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 1 May 2021).

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Assets and liabilities in the 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 (13).

3.2 BASIS OF MEASUREMENT

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

3.3 FUNCTIONAL CURRENCY

These financial statements are presented in Saudi Riyal ("SR"), which is the Fund's functional and presentation currency.

3.4 SUBSCRIPTION/REDEMPTION

Subscription/ redemption requests are accepted on Monday and Thursday. The equity value of the Fund for the purpose of purchase or sale of units is determined by dividing the total equity (fair value of the Fund's assets minus Fund's liabilities) of the Fund by the total number of outstanding Fund units.

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these financial statements are stated below. These have been consistently applied to all years presented unless otherwise stated.

Financial instruments

Initial recognition

The Fund records financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair value. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount. For financial assets and financial liabilities at FVTPL, the transaction costs are expensed in the statement of comprehensive income.

Classification

The Fund classifies its financial assets under the following categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); and
- Amortised cost.

These classifications are on the basis of the business model of the Fund for managing the financial assets, and contractual cash flow characteristics.

The Fund measures financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Any income generated from these financial assets is recognized using effective interest method.

For assets measured at fair value, gains and losses will either be recorded in either profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Fund classifies all financial liabilities as subsequently measured at amortised cost using the effective interest rate method except for financial liabilities measured at fair value through profit or loss.

Currently investment in equities is classified as FVTPL while cash and cash equivalents, receivable from IPO, due from / to broker, other assets, management fee payable, accrued and other liabilities and payable against units redeemed are classified as held at amortised cost financial assets / financial liabilities.

Derecognition of financial instruments

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognizes its retained interest in the asset and associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of the transferred financial asset, the Fund continues to recognize the financial asset and also recognizes collateralized financing for the proceeds received.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Offsetting of financial instruments

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

Impairment of financial assets

The Fund assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its financial assets, carried at amortised cost and FVOCI, the ECL is based on a 12-month ECL and lifetime ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Redeemable Units

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the Unitholder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the Unitholder's rights to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

In addition to the redeemable units having all of the above features, 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 net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund.
- The effect of substantially restricting or fixing the residual return to the redeemable Unitholders.

The Fund's redeemable participating units meet the definition of puttable instruments classified as equity instruments and accordingly are classified as equity instruments.

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features, or meet all the conditions set out, to be classified as equity, 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 net assets attributable to the Unitholders. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, 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 issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

No gain or loss is recognised in the statement of comprehensive income on the purchase, issuance, or cancellation of the Fund's own equity instruments.

4. MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

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

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

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

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

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are discussed in Note 12.

Trade date accounting

The Fund follows trade date accounting for all purchases and sales of financial assets (i.e. the date that the Fund commits to purchase or sell the assets).

Cash and cash equivalents

Cash and cash equivalent include accounts maintained with Banque Saudi Fransi (the "Bank") and the Custodian.

4. MATERIAL ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. If the effect of time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as finance costs.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured.

Accrued expenses and other payables

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the suppliers or not. These are initially recognized at fair value and subsequently need to be recognized at amortized cost.

The undiscounted value of all financial liabilities of the Fund at the reporting date approximate to their carrying values due to the fact that all are to be settled within one year from the reporting date, accordingly, the said liabilities are not recognised at amortized cost.

Management fees

Fund management fee is payable at an agreed rate with the Fund Manager. The Fund Manager will charge a management fee of 1.75% per annum plus applicable VAT on the net asset value accrued daily and paid on a monthly basis.

Expenses

Expenses are measured and recognized on an accrual basis in the accounting year in which they are incurred.

Zakat and income tax

Zakat and income tax at the Fund level is the obligation of the Unitholders and is not provided for in these financial statements.

Equity value per unit

Equity per unit as disclosed in the statement of financial position is calculated by dividing the net assets of the Fund by the number of units in issue at year end.

Foreign currency translation

Transactions in foreign currencies are translated into SR at the exchange rate at the dates of the transactions.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income. Monetary assets and liabilities denominated in foreign currencies are retranslated into SR at the exchange rate at the reporting date.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income as net foreign exchange gain/ losses.

4. MATERIAL ACCOUNTING POLICIES (continued)

Dividend income

Dividend income is recognised in the statement of comprehensive income on the date on which the right to receive the dividend is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend. Dividend income from equity securities designated as FVTPL is recognised in the statement of comprehensive income as separate line item.

5. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the financial statements requires the Fund Manager 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 year in which the estimates are revised and in any future years affected.

Judgments

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 Fund Manager is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Classification of units as equity vs liability *(Refer to Note 4 for accounting policy and measurement basis)*

Estimates

Fair value measurement *(Refer to Note 4 for accounting policy and measurement basis)*

6. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

New standards, interpretations and amendments adopted by the Fund

The following new and revised International Financial Reporting Standards have been adopted, which became effective for annual periods beginning on or after 1 January 2024. The adoption of these new revised International Financial Reporting Standards has not had any material effect on the reported amounts for current and prior years.

Standard, interpretation, amendments	**Description**	**Effective from annual periods beginning on or after**
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

6. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

New Standards, interpretations and amendments not yet effective and not early adopted

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. These amendments and standards are not expected to have any impact on the financial statements of the Fund.

Standard, interpretation, amendments	Description	Effective from annual periods beginning on or after
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025
Amendment to IFRS 9 and IFRS 7 -Classification and Measurement of Financial Instruments	These amendments: • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)	1 January 2026
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 recognized in full.	Effective date deferred indefinitely
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

6. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

New Standards, interpretations and amendments not yet effective and not early adopted (continued)

Standard, interpretation, amendments	Description	Effective from annual periods beginning on or after
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	This new standard works alongside other IFRS. An eligible subsidiary applies the requirements in other IFRS except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: • it does not have public accountability; and • it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	1 January 2027
IFRS 18, 'Presentation and Disclosure in Financial Statements	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: • the structure of the statement of profit or loss; • required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	1 January 2027

7. CASH AND CASH EQUIVALENTS

	As at 31 December 2024 SR	*As at 31 December 2023 SR*
Cash at bank (see note below)	**30,332**	3,771,278
Cash with the Custodian	**13,134,279**	23,571,484
	13,164,611	27,342,762

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

The Fund Manager has conducted a review as required under IFRS 9 and based on such an assessment, the effect of expected credit loss ('ECL') 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 no ECL has been recognised in these financial statements.

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

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

Description by geographical segment	*Cost SR*	*Market value SR*
As at 31 December 2024		
Saudi Arabia	**92,374,895**	**150,354,509**
United Arab Emirates	**57,304,997**	**57,071,557**
	149,679,892	**207,426,066**
As at 31 December 2023		
Saudi Arabia	173,934,504	281,552,946
United Arab Emirates	75,145,218	73,209,880
	249,079,722	354,762,826

The effect on the equity as a result of the change in the fair value of investments as at 31 December 2024 and 31 December 2023 due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constants is as follows:

	As at 31 December 2024		*As at 31 December 2023*	
	Potential reasonable change %	**Effect on Equity**	Potential reasonable change %	Effect on Equity
Saudi Arabia	**±1%**	**1,503,545**	±1%	2,815,529
United Arab Emirates	**±1%**	**570,716**	±1%	732,099
		2,074,261		3,547,628

9. NET GAIN ON INVESTMENTS MEASURED AT FVTPL

	For the year ended 31 December 2024 SR	*For the year ended 31 December 2023 SR*
Realised gain on sale of investments measured at FVTPL, net	**76,777,584**	22,531,955
Unrealised (loss) / gain on remeasurement of investments measured at FVTPL, net	**(47,936,930)**	78,984,104
Net gain on investments measured at FVTPL	**28,840,654**	101,516,059

10. TRANSACTIONS AND BALANCES 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 Fund Board Directors, affiliates of the Fund Manager and the Funds managed by the Fund Manager.

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 [xxx] (2023: 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% 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.

10. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

		Amount of transactions (expense) / income		***Balance receivable / (payable)***	
Related party	***Nature of transactions***	***For the year ended 31 December 2024 SR***	*For the year ended 31 December 2023 SR*	***For the year ended 31 December 2024 SR***	*For the year ended 31 December 2023 SR*
Saudi Fransi Capital Company	Management fee	**(4,683,804)**	(6,726,892)	**(415,808)**	(592,780)
Board of Directors	Fund Board Fee	**(7,011)**	(5,794)	**-**	-
Banque Saudi Fransi	Bank balance	**-**	-	**30,332**	3,771,278

The units in issue as at 31 December 2024 include 159,021 held by the employees of Banque Saudi Fransi and Fund Manager (31 December 2023: Nil).

11. OTHER EXPENSES

	Note	***For the year ended 31 December 2024 SR***	*For the year ended 31 December 2023 SR*
Brokerage fee		**432,920**	395,993
Custody fees		**349,822**	499,719
Audit fees		**42,373**	34,650
Zakat filing		**30,000**	-
Benchmark fees		**16,496**	46,586
CMA fees		**7,583**	7,383
Directors' fee	10	**7,011**	5,794
Tadawul registration fee		**6,271**	8,221
Other expenses		**87,139**	49,400
		979,615	1,047,746

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 is based on quoted prices in an active market and are therefore classified within level 1.

	Carrying value SR	***Fair value***			
		Level 1 SR	***Level 2 SR***	***Level 3 SR***	***Total SR***
As at 31 December 2024					
Investments measured at FVTPL	**207,426,066**	**207,426,066**	**-**	**-**	**207,426,066**
As at 31 December 2023					
Investments measured at FVTPL	354,762,826	354,762,826	-	-	354,762,826

During the year ended 31 December 2024, 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. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table presented below provides an analysis of assets and liabilities, categorized by their expected timelines for recovery or settlement. Additionally, the maturity dates listed correspond with the contractual maturities of these assets and liabilities.

As at 31 December 2024	***Within 12 months SR***	***After 12 months SR***	***Total SR***
ASSETS			
Cash and cash equivalents	**13,164,611**	-	**13,164,611**
Investments measured at fair value through profit or loss (FVTPL)	**207,426,066**	-	**207,426,066**
Receivable from IPO	**7,900,558**	-	**7,900,558**
TOTAL ASSETS	**228,491,235**	-	**228,491,235**
LIABILITIES			
Management fee payable	**415,808**	-	**415,808**
Payables against units redeemed	**1,758,693**	-	**1,758,693**
Accruals and other liabilities	**131,026**	-	**131,026**
TOTAL LIABILITIES	**2,305,527**	-	**2,305,527**

As at 31 December 2023	*Within 12 months SR*	*After 12 months SR*	*Total SR*
ASSETS			
Cash and cash equivalents	27,342,762	-	27,342,762
Investments measured at fair value through profit or loss (FVTPL)	354,762,826	-	354,762,826
Due from a broker	63,423	-	63,423
Other assets	6,590	-	6,590
TOTAL ASSETS	382,175,601	-	382,175,601
LIABILITIES			
Management fee payable	592,780	-	592,780
Accruals and other liabilities	115,504	-	115,504
TOTAL LIABILITIES	708,284	-	708,284

14. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the protection of Unitholder's value. Risk is inherent in the Fund's activities and is managed through a process of ongoing risk identification, measurement and monitoring. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk (which includes foreign currency risk and equity price risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the Custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the Custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired. The Fund Manager is primarily responsible for identifying and controlling risks.

Monitoring and controlling risks are primarily set up to be performed based on limits as specified in the Investment Fund Regulations. These limits reflect the business strategy and the market environment of the Fund. In addition, the Compliance Department of the Fund Manager monitors the exposures against the approved limits.

Risk mitigation

The Fund's investment guidelines as specified in Terms and Conditions and fact sheet set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

14. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Concentration risk

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry sector or geographical location. Concentration of risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentrations of foreign exchange risk may arise if the Fund has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together.

The Fund invests primarily in listed stocks, which are exposed to market risks and high price fluctuations. Investing in stocks is by nature a high-risk investment and there is a probability for sudden drops in values and loss of capital. Moreover, some changes in economic and financial factors have more impact on certain sectors, either negatively or positively, and accordingly the performance may be affected given the size of the investments in a certain sector compared to the total Fund size. In order to avoid excessive concentration of risk, the Fund's policies and procedures include guidelines to focus on maintaining a diversified portfolio.

Note 8 to the financial statements analyse the Fund's concentration of equity portfolio by sector distribution.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund does not have a formal internal grading mechanism. Credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

The Fund Manager seeks to limit its credit risk by monitoring credit exposure, credit ratings and by dealing with reputed counterparties.

The following table shows the Fund's maximum exposure to credit risk for components of the statement of financial position. All of these financial assets are classifed at stage 1.

	As at 31 December 2024 SR	*As at 31 December 2023 SR*
Cash and cash equivalents	**13,164,611**	27,342,762
Due from broker	**-**	63,423
Receivable from IPO	**7,900,558**	-
Other assets	**-**	6,590
	21,065,169	27,412,775

Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, equity prices and interest rates, will affect the Fund's income or cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

14. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate because of changes in market prices.

The Fund's investments are susceptible to market price risk arising from uncertainties about future prices. The Fund Manager manages this risk through diversification of its investment portfolio in terms of sector distribution.

Note 8 to the financial statements analyse the impact on net income / loss due to 1% change in prices of its equity portfolio.

(b) Currency risk

Currency risk is the risk that the value of a financial instrument may fluctuate due to changes in foreign exchange rates. The financial instruments of the Fund i.e. cash and cash equivalents, investments held at FVTPL, receivable from related party and payables are mainly denominated in Saudi Arabian Riyals, however some of the investments held at FVTPL and cash and cash equivalents are denominated in United Arab Emirates Dirhams and Qatari Riyal. Generally, there is no major fluctuation in the exchange rates between United Arab Emirates Dirhams, Qatar Riyal and Saudi Arabian Riyals since the respective currencies has been pegged to United States Dollars. Accordingly, the Fund is not exposed to material currency risk for its financial assets and liabilities.

(c) Commission rate risk

Commission rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Fund's financial position and cash flows. The Fund is not exposed to any commission rate risk as it does not have any interest-bearing financial assets.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in releasing funds to meet commitments associated with financial liabilities that are settled by delivering cash or another financial asset.

The Fund's terms and conditions provide for the terms of subscriptions and redemptions of units, and it is, therefore, exposed to the liquidity risk of meeting Unitholder redemptions. The Fund's securities are considered to be readily realizable as they are all listed on the stock exchanges of the Kingdom of Saudi Arabia, Kuwait and United Arab Emirates. The Fund Manager monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise.

In addition to the above, the Fund can utilize an overdraft facility offered by the Fund Manager to meet liquidity requirements.

The undiscounted value of all financial liabilities of the Fund at the reporting date approximate to their carrying values and all are to be settled within one year from the reporting date.

Capital risk management

The capital of the Fund is represented by the equity attributable to the Unitholders. The amount of equity attributable to the Unitholders can change significantly on a valuation day, since the Fund is subject to subscriptions and redemptions at the discretion of the Unitholders, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for Unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

14. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

In order to maintain the capital structure, the Fund's policy is to monitor the level of subscriptions and redemptions relative to the assets that it expects to be able to liquidate immediately, and adjust the amount of distributions that the Fund pays to Unitholders. Fund Manager monitor capital on the basis of the value of equity attributable to Unitholders.

15. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 31 December 2024 against the Fund or the Fund Manager which could have an impact on the financial statements of the Fund.

16. SUBSEQUENT EVENTS

As of the date of approval of these financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these financial statements.

17. LAST VALUATION DAY

The last valuation day of the year for the purpose of preparation of the financial statements was 31 December 2024 (31 December 2023).

18. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Fund Board on 16 March 2025 (corresponding to 16 Ramadan 1446H).