MEFIC CAPITAL MURABAHA FUND
(Open-Ended Money Market Fund)
Managed by
MIDDLE EAST FINANCIAL INVESTMENT COMPANY

INTERIM-CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 03 DECEMBER 2025 TO 30 JUNE 2026
Together with the
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS

MEFIC CAPITAL MURABAHA FUND
(Open-Ended Money Market Fund)
(Managed by Middle East Financial Investment Company)

Interim Condensed Financial Statements (Un-Audited)
For the period from 03 December 2025 to 30 June 2026

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PKF Al-Bassam
Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE UNITHOLDERS OF MEFIC CAPITAL MURABAHA FUND
OPEN-ENDED MONEY MARKET FUND
(MANAGED BY MIDDLE EAST FINANCIAL INVESTMENT COMPANY)

INTRODUCTION

We have reviewed the accompanying interim condensed financial statements of MEFIC Capital Murabaha Fund (the "Fund") managed by Middle East Financial Investment Company (the Fund Manager) as of 30 June 2026 which comprises:

- The interim condensed statement of financial position as at 30 June 2026;
- The interim condensed statement of profit or loss and other comprehensive income for the six-month period then ended;
- The interim condensed statement of changes in net assets (equity) attributable to the unitholders for the six-month period then ended;
- The interim condensed statement of cash flows for the six-month period then ended; and
- The notes to the interim condensed financial statements.

The 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") that is 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 Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

PKF Al-Bassam
Chartered Accountants

شركة بي كي اف البسام
محاسبون ومراجعون قانونيون
C. R. 1010385804
PKF Al Bassam
chartered accountants

Abdulellah Hammad Al Bassam
Certified Public Accountant
License No. 703
Riyadh, Kingdom of Saudi Arabia
Dated : 27 Safar 1448H
Corresponding to: 10 August 2026

MEFIC CAPITAL MURABAHA FUND
(Open-Ended Money Market Fund)
(Managed by Middle East Financial Investment Company)
INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2026
(Amounts in SAR)

	Note	30 June 2026
ASSETS		
Cash and cash equivalents	5	6,693,715
Financial asset at fair value through profit or loss (FVTPL)	6	2,450,610
Financial asset measured at amortised cost	8	4,591,419
Total assets		13,735,744
LIABILITIES		
Other fee payable	7	3,982
Management fee payable	7	12,352
Total liabilities		16,334
Net assets (equity) attributable to the unit holders		13,719,410
Units in issue (number)		133,774
Net assets attributable to each unit		102.5566
Net assets (equity) attributable to the unit holders by class		
Class- A		627,580
Class- B		13,089,740
Class- C		2,090
Total		13,719,410
Units in issue (number) by class		
Class- A		6,146
Class- B		127,608
Class- C		20
Total		133,774
Net assets attributable to each unit by class		
Class- A		102.1097
Class- B		102.5780
Class- C		102.5411
Total		102.5564

The accompanying notes 1 to 16 form an integral part of these financial statements

MEFIC CAPITAL MURABAHA FUND
(Open-Ended Money Market Fund)
(Managed by Middle East Financial Investment Company)
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
For the period from 03 December 2025 to 30 June 2026
(Amounts in SAR)

	Note	For the period from 03 December 2025 to 30 June 2026
Income		
Realized gain on financial asset carried at FVTPL		-
Unrealized gain on financial asset at FVTPL		27,699
Special commission income		554,864
		582,563
Expenses		
Other fee	7	(3,463)
VAT on other fee		(519)
Management fee		(55,286)
VAT on management fee		(8,296)
		(67,564)
Net income for the period		514,999
Other comprehensive income for the period		-
Total comprehensive income for the period		514,999

The accompanying notes 1 to 16 form an integral part of these financial statements

MEFIC CAPITAL MURABAHA FUND
(Open-Ended Money Market Fund)
(Managed by Middle East Financial Investment Company)
INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS (UN-AUDITED)
For the period from 03 December 2025 to 30 June 2026
(Amounts in SAR)

	For the period from 03 December 2025 to 30 June 2026
Net assets (equity) attributable to the unit holders at the beginning of the period	-
Total comprehensive income for the period	514,999
Changes from unit transaction	
Issuance of units during the period	30,657,342
Redemption of units during the period	(17,452,931)
	13,204,411
Net assets (equity) attributable to the Unit holders at the end of the period	13,719,410

UNIT TRANSACTIONS

	For the period from 03 December 2025 to 30 June 2026
Units at the beginning of the period	-
Units issued during the period	304,365
Units redeemed during the period	(170,591)
Net increase in unit	133,774
Units at end of the period	133,774

The accompanying notes 1 to 16 form an integral part of these financial statements

MEFIC CAPITAL MURABAHA FUND
(Open-Ended Money Market Fund)
(Managed by Middle East Financial Investment Company)
INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the period from 03 December 2025 to 30 June 2026
(Amounts in SAR)

	Note	For the period from 03 December 2025 to 30 June 2026
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period		**514,999**
Adjustments for:		
Unrealized gain from financial assets at fair value through profit or loss (FVTPL)		**(27,699)**
Change in operating assets and liabilities		
Financial asset measured at (FVTPL)		**(2,422,911)**
Investments measured at amortised cost		**(4,591,419)**
Other fee payable		**3,982**
Management fee payable		**12,352**
Net cash used in operating activities		**(6,510,696)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units		**30,657,342**
Redemptions of the units		**(17,452,931)**
Net cash generated from financing activities		**13,204,411**
Net changes in cash and cash equivalents		**6,693,715**
Cash and cash equivalents at beginning of the period		**-**
Cash and cash equivalents at end of the period	5	**6,693,715**

The accompanying notes 1 to 16 form an integral part of these financial statements

1. GENERAL

The MEFIC Capital Murabaha Fund (the "Fund") is an Open-Ended Money Market Fund managed through an agreement between Middle East Financial Investment Company (the "Fund Manager") and the Fund investors (the "Unitholders").

The objective of the Fund is to preserve capital and achieve returns by investing in Shariah-compliant money market transactions and investment funds. The fund aims to generate returns that outperform the benchmark (3-month SAIBOR).

The Fund commenced its operations on 17 Jumada Al-Thani 1447 AH corresponding to 08 December 2025). Capital Market Authority ("CMA") approval for the establishment of the Fund was granted in its letter number 06029-37 dated 02 Rabi' Al-Awwal 1447 AH (corresponding to 25 August 2025).

In dealing with the Unitholders, the Fund Management considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund.

2. REGULATING FRAMEWORK

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) thereafter amended on 16 Sha'ban 1437H (corresponding to 23 May 2016). The regulation was further amended (the "Amended Regulations") on 17 Rajab 1442H (corresponding to 1 March 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations have effective dates starting from 19 Ramadan 1442H (corresponding to 1 May 2021).

3- BASIS OF PREPARATION

General

In accordance with the applicable financial reporting framework and the Capital Market Authority (CMA) regulations, the financial information presented in these interim financial statements covers an period from 03 December 2025 to 30 June 2026.

As a result, the current period's figures may not be entirely comparable with those of the preceding period.

3.1 Statement of compliance

The Fund prepares the financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standard Board and endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The Fund has also complied with Investment Fund Regulations published by CMA in Kingdom of Saudi Arabia, the private placement memorandum and the Fund's terms and conditions with respect to preparation and presentation of these financial statements.

3.2 Basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention. Using the accrual basis of accounting except for investments carried at fair value through profit or loss, which are carried at their fair value. The Fund presents its statement of financial position in the order of liquidity.

3. BASIS OF PREPARATION (CONTINUED)

3.2 Basis of measurement (continued)

The Fund has also complied with Investment Fund Regulations published by CMA in Kingdom of Saudi Arabia, the private placement memorandum and the Fund's term and conditions with respect to preparation and presentation of these financial statements.

3.3 Functional and Presentation Currency

These financial statements are presented in Saudi Riyal (SAR), which is also the functional currency of the Fund. All financial information presented have been rounded off to nearest SAR unless otherwise stated.

3.3.1 Foreign currency transaction and balances

Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of the transaction. Foreign currency assets and liabilities are translated into SAR using the exchange rates prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

3.4 Significant accounting judgements, estimates and assumptions

In preparing these financial statements, management has made the judgements, estimates, and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The estimates and judgments are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods in which they are affected. The main areas in which estimates or judgments are important to the fund's financial statements or in which judgments have been made in applying accounting policies are as follows:

Use of estimates

Impairment of financial assets

The Fund Manager applies and determines expected credit loss (ECL) model for the measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments and are measured at amortized cost e.g., bank balances. An expected credit loss is the probability-weighted estimate of credit losses (i.e., present value of all cash shortfalls) over the expected life of the financial asset. For the determination of the expected credit loss, the Fund evaluates among other factors, the credit risk, default and timing of collection since initial recognition. This requires recognizing allowance for expected credit losses in the statements of comprehensive income.

Recognition and measurement of provisions

Key assumptions are made about the likelihood and magnitude of an outflow of resources.

Measurement of fair values

The Fund's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
When measuring the fair value of an asset or liability, the Fund Manager uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted priced included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3- BASIS OF PREPARATION (CONTINUED)

Measurement of fair values (continued)

3.4 Significant accounting judgements, estimates and assumptions (continued)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Fund Manager recognizes transfers between the levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 10 of these financial statements.

Use of judgements

Classification of investments

The Fund Manager at initial recognition determines the relevant classification of financial assets and financial liabilities based on the business model for managing the financial asset and the terms of its contractual cash flows.

Business model assessment

Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Fund Manager determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Fund Manager monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.
Monitoring is part of the Fund Manager continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Fund Manager compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Fund Manager considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Fund Manager debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks, and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relates to the Fund Manager core operations.

Going concern

The Fund's management has 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 on the Fund ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

4- MATERIAL ACCOUNTING POLICIES

4.1 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalent consists cash in investments account and murabaha deposits with an original maturity of less than three months at the date of acquisition. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual provisions of the instrument. At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in the statement of comprehensive income. Allowance for expected credit loss is recognized for financial assets measured at amortized cost, as described in Note 3.4, which results in a financial loss being recognized in the statement of comprehensive income when a new asset is created.

4.2.2 Classification and measurement of financial assets

Equity instruments

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

The Fund classifies its financial assets at fair value through profit or loss (FVTPL). The Fund subsequently measures all equity investments at fair value through profit or loss, except where the Fund Manager has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade.

When this election is used, fair value gains and Losses are recognized in OCI and are not subsequently reclassified to the statement of comprehensive income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the statement of comprehensive income when the Fund's right to receive payments is established.

Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

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

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Financial instruments (continued)

4.2.2 Classification and measurement of financial assets (continued)

Debt instruments (continued)

Based on these factors, the Fund classifies its debt instruments into one of the following three measurement categories:

Amortized cost:
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit (SPPI), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Profit earned from these financial assets is recognized in the statement of comprehensive income using the effective profit rate method.

FVTPL:
If a financial asset's cash flows do not represent solely SPPI or if it not held within the held to collect or the held to collect and sell business model, then it is measured at FVTPL.

A gain or loss on a debt investment measured at FVTPL is recognized in the statement of comprehensive income, within "Net gain / (loss) in investments mandatorily measured at FVTPL", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value, or which are not held for trading are presented separately from debt investments that are mandatorily measured at FVTPL, within "Net gain / (loss) in investments designated at FVTPL". Profit earned from these financial assets is recognized in the statement of comprehensive income using the effective profit rate method.

Business model:
The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Fund in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is internally evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These assets are classified in 'other' business model and measured at FVTPL.

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

The Fund reclassifies debt investments when its business model changes to manage only those assets. The reclassification process takes place from the beginning of the first reporting period after the change. These changes are expected to be very rare and nothing happened during this period.

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Financial instruments (continued)

4.2.3 Impairment of financial assets

The Fund assesses on a forward-looking basis the Expected Credit Loss ("ECL") associated with its financial assets arrived at amortized cost. The Fund recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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

4.2.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

(a) Transferred substantially all of the risks and rewards of the asset or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement) and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Fund's continuing involvement in the asset. In that case, the Fund also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained. The Fund derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired.

4.2.5 Financial liabilities

The fund derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability that is derecognized, and the new financial liability on modified terms, is recognized in the statement of profit or loss.

4.3 Trade date accounting

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

4.4 Offsetting of financial instruments

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

4.5 Accrued expenses

Accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective profit rate method.

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.6 Provision

A provision is recognized when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provision is not recognized for future operating loss.

4.7 Redeemable Units

The fund is open for subscriptions or redemptions of units every business day. The Fund's net asset value is determined on each business day (all of which are valuation days). The Fund's net asset value for the purposes of buying or selling units is determined by dividing the net asset value (the fair value of the Fund's assets minus the fund's liabilities) by the total number of outstanding fund units on the relevant evaluation day.

The Fund classifies redeemable units as equity instruments if the redeemable units have the following characteristics:
The redeemable units entitle the holder 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 holder'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 recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument.

Subscription and redemption of redeemable units are accounted for as transactions between unit holders as long as the units are classified as equity instruments.

4.8 Revenue recognition

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

4.9 Management fees

The fund manager receives 0.75% annually on class A units and 0.5% on class B and class C units of the net asset value of the fund.

4.10 Other expenses

The Fund shall pay expenses attributable to the Fund's activities from the Fund's assets up to a maximum of 0.10% of the Fund's net asset value.

4.11 Net asset value per unit

The net asset value 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 outstanding at year end.

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.12 NEW AMENDED STANDARDS AND INTERPRETATIONS

4.12.1 Standards and amendments effective in the current period

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management impact
IFRS 9 and IFRS 7 IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7	The amendments have been adopted during the current period. The adoption did not have a material impact on the Company's financial statements, as the Company's financial instruments and settlement arrangements were not significantly affected.
	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	The amendments have been adopted during the current period. The adoption did not have a material impact on the Company's financial statements, as the nature of the Company's operations and contractual arrangements did not result in any significant exposure to such contracts.

4.12.2 Standards and amendments issued but not yet effective

The following standards and amendments have been issued but are not yet effective for the reporting period ended **30 June 2026,** and have not been early adopted by the Company:

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.12 NEW AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

4.12.2 Standards and amendments issued but not yet effective (continued)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Company's assets, liabilities, income or expenses.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Company's financial position, financial performance or cash flows.

5. CASH AND CASH EQUIVALENTS

	30 June 2026 (Un-audited)
Cash in bank	**10,566**
Murabaha deposits*	**6,683,149**
	6,693,715

* This item represents Murabaha deposits with financial companies, which have dates with an original maturity period of 3 months or less. The effective rate of return on these deposits ranges from 4.95% to 5.3%. During the year, the Fund participated in Murabaha with a total of SAR 6,630,000. The actual return on these deposits as of 30 June 2026 amounted to SAR 554,864, and the accrued profit on Murabaha deposits as of 30 June 2026 amounted to SAR 53,148.

6. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 (Un-audited)
Cost	
At 03 December 2025	-
Purchases during the period	**12,767,911**
Disposal during the period	**10,345,000**
As at period end	**2,422,911**
Market value	**2,450,610**

	No. of units	*Cost*	*Fair value*	*Unrealised gains*
Investment in fund				
Al Rajhi Awaeed Fund	**892,430**	**1,024,379**	**1,027,545**	**3,166**
Alpha Murabaha Fund	**107,785**	**1,398,532**	**1,423,065**	**24,533**
Total		**2,422,911**	**2,450,610**	**27,699**

7. TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of business, the Fund carries out transactions with related parties. Related parties in the fund include the unit holders, the fund manager and other funds managed by the fund manager. Transactions with related parties are carried out in accordance with the terms and conditions of the fund. All transactions with related parties are carried out according to agreed terms under a formal arrangement.

7. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Transactions:

Related party	Nature of relationship	Nature of transactions	For the period from 03 December 2025 to 30 June 2026
Middle east financial investment company	Fund manager	Management fee (exclusive of VAT)	**10,741**
		Other fee (exclusive of VAT)	**3,463**

Related party	Nature of relationship	Nature of transactions	30 June 2026
Middle east financial investment company	Fund manager	Management fee payable	**(12,352)**
		Other fee payable	**(3,982)**

8- FINANCIAL ASSETS MEASURED AT AMORTISED COST

	30 June 2026 (Un-audited)
Investment measured at amortised cost	**4,555,000**
Accrued profit on investment at amortised cost	**36,419**
Total	**4,591,419**

The average profit rate on money market placements as at the year-end is 5.13% to 5.5% p.a. .

9- COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies up to the reporting date.

10- FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which as asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchies. This grouping is determined based on the lowest level of significant inputs used in the fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

10- FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of on-balance sheet financial instruments at the reporting date are not significantly different from the carrying values included in the financial statements. The fair values of cash and cash equivalent, trade receivables, borrowings accrual and other liabilities and due to related party which are carried at amortized cost, are not significantly different from the carrying values included in the financial statements, since the current market special commission rates for similar financial instruments are not significantly different from the contracted rates and/or on account of the short duration of these financial instruments.

11- UNIT VALUE RECONCILIATION

In accordance with CMA circular no. 1/6/7218/17 dated 13 Rabi Al-Thani 1439H (corresponding to 31 December 2017G), the CMA Board decided on 10 Rabi Al-Thani 1439H (corresponding to 28 December 2017G) to restrict the recording of expected credit losses (ECL) calculated in accordance with IFRS 9 only for the purpose of the financial reporting.

All financial assets held at amortized cost were considered for ECL as on 30 June 2026. However, the impact of ECL on these assets was immaterial as cash and cash equivalents are held with bank having sound credit rating. Accordingly, the financial statements do not contain any ECL adjustment and therefore reconciliation of the unit price calculated according to the applicable financial reporting framework to the unit price calculated for the purpose of unit transactions is not require.

12- FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk.

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

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	30 June 2026 (Un-audited)
Cash and cash equivalent	**6,693,715**
Financial asset measured at amortised cost	**4,591,419**
	11,285,134

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet its commitments associated with financial liabilities. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities.

30 June 2026	**Up to 1 year**	**Over 1 year**	**Total**
Management fees payable	**12,352**	-	**12,352**
Other fee	**3,982**		**3,982**
Total liabilities	**16,334**	-	**16,334**

Maturity profile
The table below shows an analysis of financial assets and financial liabilities according to when they are expected to be recovered or settled respectively. The amount disclosed are the contractual undiscounted cash flows which equal their carrying balances as the impact of discounting is not significant.

	Up to one year	More than one year	Total
30 June 2026			
Financial Assets			
Cash and cash equivalent	6,693,715	-	6,693,715
Financial asset at fair value through profit or loss ("FVTPL")	2,450,610	-	2,450,610
Financial asset measured at amortised cost	4,591,419	-	4,591,419
	13,735,744	-	13,735,744
Management fees	12,352	-	12,352
Other fees	3,982		3,982
	16,334	-	16,334

Market risk

Market risk is the risk that fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates or the market prices of securities due to a change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises three types of risk: interest rate risk, currency risk and other price risks.

Interest rate risk
Interest rate risk arises from the possibility that changes in market interest rates will affect future profitability or the fair value of the financial instruments.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

The functional currency of the Fund is Saudi Riyals. As the Fund's financial assets and financial liabilities are denominated in its functional currency, the Fund is not subject to currency risk.

Price risk
Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements. The Fund is not subject to price risk.

13- CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize unitholder's value.

The Fund Board and the Fund Manager monitor capital on the basis of the value of equity attributable to the Unitholders.

14- 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.

15- LAST VALUATION DATE

The last valuation day for the purpose of the preparation of these financial statements is 30 June 2026.

16- APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund Board on 26 Safar 1448H (corresponding to 10 August 2026).