

ARTAL

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Artal MENA Fund

2025 Annual Report

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Investment Fund Information

Fund Name

Artal MENA Fund

Inception Date

Class A: February 17, 2025

Class B: February 17, 2025

Investment Objectives and Policies

The Fund aims to achieve capital growth over the medium and long term by investing in Arab equity markets, including main markets, parallel markets, and any other markets that may be launched or established by the competent authorities in the future where public equity securities are listed or traded (or shares and/or depositary receipts of Arab companies and/or their subsidiaries/affiliates listed on any financial market worldwide).

Distribution of Income and Gain Policy

No income shall be distributed. Instead, dividends will be reinvested.

Benchmark description, the rationale for its selection, and its suitability for the Fund's investment strategies and objectives, and the service provider's website (if any)

Name: S&P Pan Arab Composite Shariah TR

Service Provider: S&P Dow Jones Indices

Website: <https://www.spglobal.com/>

Selection rationale:

The benchmark, the S&P Pan Arab Composite Shariah TR, represents the performance of Shariah compliant MENA equities with dividends reinvested. It was selected due to its relevance to the Fund's investment universe and Shariah requirements. The benchmark provides an appropriate basis for evaluating the Fund's performance.

All reports are available upon request free of charge.



Fund Performance

Fund performance for the past three fiscal years

Class A	2025	2024	2023
Fund Net Asset Value	477,076.68	N/A	N/A
NAV per unit at the end of the financial year	9.1070	N/A	N/A
Highest NAV per unit for the financial year	10.0541	N/A	N/A
Lowest NAV per unit for the financial year	8.9807	N/A	N/A
No. of Units at the end of the financial year	52,385.6935	N/A	N/A
Dividend distributed per unit	0.00	N/A	N/A
Expense ratio	2.80%	N/A	N/A
Borrowed assets from the total asset value	0.00%	N/A	N/A

Class B	2025	2024	2023
Fund Net Asset Value	21,381,707.40	N/A	N/A
NAV per unit at the end of the financial year	9.2299	N/A	N/A
Highest NAV per unit for the financial year	10.1645	N/A	N/A
Lowest NAV per unit for the financial year	9.0328	N/A	N/A
No. of Units at the end of the financial year	2,316,576.1103	N/A	N/A
Dividend distributed per unit	0.00	N/A	N/A
Expense ratio	1.34%	N/A	N/A
Borrowed assets from the total asset value	0.00%	N/A	N/A

Performance

Class A	1 Year	3 Years	5 Years	Since Inception
Fund	N/A	N/A	N/A	-8.93%
Benchmark	N/A	N/A	N/A	-5.47%
Excess Return	N/A	N/A	N/A	-3.46%

* Inception date: February 17, 2025

Class B	1 Year	3 Years	5 Years	Since Inception
Fund	N/A	N/A	N/A	-7.70%
Benchmark	N/A	N/A	N/A	-5.47%
Excess Return	N/A	N/A	N/A	-2.23%

* Inception date: February 17, 2025

Calendar year performance

Class A	2025*
Fund	-8.93%
Benchmark	-5.47%
Excess Return	-3.46%

* The inception date of the fund was February 17, 2025



Class B	2025*
Fund	-7.70%
Benchmark	-5.47%
Excess Return	-2.23%

* The inception date of the fund was February 17, 2025

Fund Fees & Expenses

Fund fees & expenses for 2025	Class A	Class B	Total
Management fee	6,246.64	0.00	6,246.64
Custodian fee	242.38	13,827.80	14,070.18
Administrator & Transfer Agent fees	3,603.41	190,488.12	194,091.53
Auditor fee	751.70	39,498.30	40,250.00
Regulatory & Exchange fees	309.67	17,115.01	17,424.68
Transactions costs	556.81	27,646.93	28,203.74
Other expenses	1,221.02	62,494.11	63,715.13
Total fees	12,931.63	351,070.27	364,001.90
Total Expenses Ratio	2.80%	1.34%	1.36%

Disclosures

Material Changes

There are no material changes affecting fund performance during the reporting period.

Total expense ratio

The total expense ratio is calculated based on the average NAV over the period and there was no fee rebate paid to the clients.

Management Fee

During the year, the Fund Manager reduced the management fees for Class A at its discretion and in the best interest of the Unit Holders. The actual post-reduction fees are included within the expenses shown in the table above

Special commission arrangements

The fund manager may receive (brokerage) research from third parties with whom trades are executed for the fund and client portfolios, which is used in managing investments across such portfolios.



Basis of performance calculation & assumptions

Performance figures represent changes to the NAV per unit and account for distributions from the fund (if any).

Exercise of Voting Rights

Subject of the vote	Artal Capital's Vote			
	Agree	Disagree	Abstain	
Advanced Petrochemical Company - 16/09/2025				
1	To vote on the election of the members of the Board of Directors among the board membership nominees for upcoming term, which will be starting from October 1, 2025 for a term of four years and end on September 30, 2029	X		
2	To vote on delegating the Board of Directors for the upcoming term the vested powers of the general assembly meeting as per Article (27/1) of the Companies Law for one year from the date of the approval by the general assembly meeting or the end of the delegated Board of Directors' term, which comes first. Such delegation shall be in accordance with the requirements stipulated in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.			X
Seera Group Holding - 26/10/2025				
1	To vote on electing four members to fill the vacant seats on the Board of Directors from among the nominated candidates to complete the current term, which began from 29/03/2024G, and ends on 28/03/2028G.	X		



Fund Board Members

Name	Membership type
Rayan Saleh Al Rasheed	Chairman of the Board
Saad Mohammed Al Gheriri	Non-independent member
Nasser Abdulaziz Al Ajroush	Non-independent member
Mohammed Ahmed Al Blawi	Independent member
Khalid Abdullah Al Rubaian	Independent member

Rayan Saleh Al Rasheed

Mr. Ryan Al Rashid is the CEO of Artal Capital. He has over 15 years of experience in asset management. He previously worked as CIO at Awqaf Investments and before that he was the private equity managing director at Jadwa Investment, focusing on healthcare, hospitality, and other industries. He also gained experience in corporate finance at the Capital Market Authority. Mr. Al Rashid holds a Bachelor of Science degree in Finance from King Fahd University of Petroleum and Minerals, and an MBA from Stanford University.

Saad Mohammed Al Gheriri

Mr. Saad Al Gheriri is currently the CEO of Al Rajhi Partners. Before that, he worked as an executive director for direct investments in private equity, venture capital, and business development sectors at Al Rajhi United Company. He also headed direct investments in Saudi Aramco Investment Management Company, which invests in the areas of private equity, real estate, and infrastructure. Mr. Saad has more than 10 years of experience in the field of asset management.

Mr. Al Gheriri holds a bachelor's degree in financial management from California State University. He also holds an MBA from Stanford University.

Nasser Abdulaziz Al Ajroush

Mr. Nasser Al Ajroush is currently the CFO & CIO at Al Rajhi Partners. He previously worked at SABIC as a Senior Manager in Finance. Mr. Al Ajroush is a member of the Audit Committee at Artal Capital and Advanced Education Company (ADEC). He was also a member of the Audit and Risk Committee at Saudi Methanol Company (Ar Razi) from 2018 to 2020. Mr. Al Ajroush has over 10 years of experience in the investment field.

Mr. Al Ajroush holds a Bachelor of Science degree in Finance and Accounting from Carleton University in Canada.



Mohammed Ahmed Al Blawi

Mr. Mohammed Al Blawi is the CEO of Al Blagha Group, General Manager of Al Woroud Real Estate, and Managing Director of Tamasuk Holding for Infrastructure Investments. He has worked with the Saudi Industrial Development Fund and has over 15 years of experience in investment, finance, and industrial activities. He is a member of the Board of Directors of ESPAC, a member of the Board of Directors of AICT Egypt, a member of the Board of Directors of International Ports Services Co. Ltd., Dammam, Saudi Arabia, and a member of the Board of Directors of Al Noor Real Estate Fund.

Mr. Al Blawi holds a Master's degree from ESADE Business School and a Bachelor's degree in Industrial Engineering from King Fahd University of Petroleum and Minerals.

Khalid Abdullah Al Rubaian

Mr. Khalid Al Rubaian is currently the Assistant Undersecretary for Logistics Services at the Ministry of Transport and Logistics Services. He previously held several positions from 2006 to the present, including CEO at Bnon Investment Company, Senior Advisor at the Office of H.E. Ahmed Al Khatib, and Investment Manager at ARASCO Company. Mr. Al Rubaian holds several board memberships. He has over 15 years of experience in business and investment.

Mr. Al Rubaian holds a Bachelor of Science degree in Marketing from King Fahd University of Petroleum and Minerals. He also holds an MBA from Suffolk University.

Description of the roles and responsibilities of the Fund Board

- Approve all material contracts, decisions, and reports to which the Fund is a party.
- Adopt a written policy regarding voting rights related to the Fund's assets.
- Oversee and approve any conflicts of interest disclosed by the Fund Manager in accordance with the Investment Funds Regulations.
- Meet at least twice annually with the Compliance Officer (Compliance Committee) of the Fund Manager and the Anti-Money Laundering and Counter-Terrorism Financing Reporting Officer to ensure the Fund Manager's compliance with all applicable laws and regulations.
- Approve all changes stipulated in Articles (62) and (63) of the Investment Funds Regulations prior to the Fund Manager obtaining the approval of, or notifying, the Unit Holders and the Authority.
- Review the report containing the evaluation of the performance and quality of services provided by parties involved in delivering material services to the Fund, as referred to in paragraph (l) of Article 9 of the Investment Funds Regulations, to ensure that the Fund Manager fulfills its responsibilities in a manner that achieves the best interests of the Unit Holders in accordance with the Fund's terms and conditions and the Investment Funds Regulations.



- Evaluate the Fund Manager’s mechanism for dealing with risks related to the Fund’s assets in accordance with the Fund Manager’s policies and procedures for monitoring and managing the Fund’s risks.
- Review the report including all complaints and the actions taken thereon referred to in paragraph (m) of Article 9 of the Investment Funds Regulations, to ensure that the Fund Manager fulfills its responsibilities in a manner that achieves the best interests of the Unit Holders in accordance with the Fund’s terms and conditions and the Investment Funds Regulations.
- Approve any recommendation submitted by the liquidator in the event of his appointment.
- Ensure the completeness of and compliance with the Fund’s terms and conditions and other documents related to the Investment Funds Regulations.
- Ensure that the Fund Manager fulfills its responsibilities in a manner that achieves the best interests of the Unit Holders in accordance with the Fund’s terms and conditions, the Investment Funds Regulations, and the resolutions of the Sharia Supervisory Committee.
- Act in good faith and in the best interests of the Investment Fund and its Unit Holders.
- Approve the appointment of the auditor after nomination by the Fund Manager.
- Acknowledge that all members of the Fund’s Board of Directors meet the required qualification criteria.
- None of the members has previously been declared bankrupt or been subject to any bankruptcy or insolvency proceedings.
- None of the members has previously committed any violation involving fraud, dishonesty, or breach of integrity and trust.
- All members possess the necessary skills and experience required to manage the Fund.

Details on the remuneration of fund board members

Independent Board Members shall receive SAR 2,000 per meeting and up to SAR 8,000 per year for each independent Board Member, calculated daily from the Net Asset Value of the Fund and deducted annually.

Conflict of interest

Members of the Board of Directors of the Fund may be members of other investment funds with investment objectives similar to those of the Fund, whether managed by the Fund Manager or by any other Fund Manager. Therefore, it is possible that a member of the Board of Directors of the Fund may find himself, in the course of his work, in a situation that involves a potential conflict of duty or interest with one or more of the funds. In these cases, the Board Member will take into account his obligations to act in the best interests of the relevant Unit Holders in accordance with his role and responsibility as a Board Member of the Fund by acting in good faith and diligence to the extent practically possible, without neglecting his obligations to the clients of other funds



when considering any potential conflict of interest. In cases where voting is required, that member shall abstain from voting if the Board of Directors deems it necessary.

Membership relevant to other funds

Name	Membership in other Funds
Rayan Saleh Al Rasheed	Artal Murabaha Fund Artal Saudi Equity Freestyle Fund Artal MENA Equity Fund Artal Monthly Distribution Fund Artal Real Estate Fund 1 Artal Real Estate Fund 2 Artal Real Estate Fund 3
Saad Mohammed Al Gheriri	Artal Murabaha Fund Artal Saudi Equity Freestyle Fund Artal MENA Equity Fund Artal Monthly Distribution Fund
Nasser Abdulaziz Al Ajroush	Artal Murabaha Fund Artal Saudi Equity Freestyle Fund Artal MENA Equity Fund Artal Monthly Distribution Fund
Mohammed Ahmed Al Blawi	Artal Murabaha Fund Artal Saudi Equity Freestyle Fund Artal MENA Equity Fund Artal Monthly Distribution Fund Blom Alnoor Real Estate fund
Khalid Abdullah Al Rubaian	Artal Murabaha Fund Artal Saudi Equity Freestyle Fund Artal MENA Equity Fund Artal Monthly Distribution Fund Artal Real Estate Fund 1 Artal Real Estate Fund 2 Artal Real Estate Fund 3

Fund board meetings during 2025 are as follows:

The first meeting for the fund was held on June 2nd, 2025 with the below agenda:

1. Comparison between the Fund's performance and the benchmark index
2. The Fund's top 10 company exposures
3. Investment rationale and business model for each company
4. Presentation of all portfolio holdings and relative weights for each company
5. Ranking of the Fund's performance against peers following similar investment strategies
6. Violations and breaches of investment restrictions, and client complaints



The second meeting for the fund was held on November 18th, 2025 with the below agenda:

1. Comparison between the Fund's performance and the benchmark index
2. The Fund's top 10 company exposures
3. Investment rationale and business model for each company
4. Presentation of all portfolio holdings and relative weights for each company
5. Ranking of the Fund's performance against peers following similar investment strategies
6. Violations and breaches of investment restrictions, and client complaints
7. Service providers performance review, and risk assessment

Fund Manager

Fund manager name	Artal Capital
Address	7995 Abi Bakr St. Riyadh 12444-2350 Saudi Arabia
Phone	+966 11 262 6266
Website	www.artalcapital.com

Name and address of the sub-manager and/or investment advisor (if any).

Not applicable

A review of the investment activities during the period

During the period from (17/02/2025) until the date of the report (31/12/2025), the fund invested its assets in companies compliant with the shariah principals.

Investment fund's performance during the period

Class A performance stood at -8.93%, v/s -5.47 for the benchmark. The class underperformed its benchmark by 3.46%.

Class B performance stood at -7.70%, v/s -5.47% for the benchmark. The class underperformed its benchmark by 2.23%.

Details of changes during the period in Fund T&Cs and information memorandum

No changes happened to the fund T&Cs during the period.

Other information for unit holders

None



Investments into other funds

The fund hasn't invested in other funds.

Expense ratio of each underlying Fund and the weighted average expense ratio of all underlying funds

Not applicable

Other data and other information required by the investment funds regulations

- **Investment breaches**
None
- **Fund manager's investment in the fund**
None
- **Conflict of interest**
None
- **Incorrect Valuation or Pricing**
None

Period of service of the person registered as a manager for the fund

Since February 17, 2025

Fund Custodian

Custodian name	Al Bilad Capital
Address	Smart Tower, King Fahad Road, Riyadh 8162 King Fahad Road -Olaya, Riyadh 12313-3701, Saudi Arabia
Phone	920003636
Website	www.albilad-capital.com

Custodian main duties and responsibilities

- The custodian is responsible for fulfilling its obligations according to the provisions of the Investment Funds Regulation, whether it performs its duties directly or assigns them to a third party in accordance with the Investment Funds Regulation and the Capital Market Institutions Regulation.



- The custodian is liable to the fund manager and unitholders for any losses incurred by the fund due to its fraud, negligence, mismanagement, or intentional misconduct.
- The custodian is responsible for the safekeeping and protection of the fund's assets for the benefit of the unitholders, and is also responsible for taking all necessary administrative measures regarding the safekeeping of the fund's assets.

Fund Operator

Fund operator name	Al Bilad Capital
Address	Smart Tower, King Fahad Road, Riyadh 8162 King Fahad Road -Olaya, Riyadh 12313-3701, Saudi Arabia
Phone	920003636
Website	www.albilad-capital.com

Fund operator main duties and responsibilities

- Maintain books and records related to the operation of the fund.
- Prepare and maintain a record of all units issued and canceled, and keep an updated record showing the balance of outstanding units.
- Distribute profits to unitholders.
- Execute subscription and redemption requests.
- Value the fund's assets.
- Calculate the NAV of the fund units
- Prepare and maintain the unitholders register and keeping it updated.

Fund Auditor

Auditor name	PKF Al Bassam & Co.
Address	Prince Abdulaziz Ibn Musaid Ibn Jalawi St, As Sulimaniyah, Riyadh 12223
Phone	+966 11 206 5333
Website	www.pkfalbassam.com

Financial Statements

The Fund's annual financial statements have been prepared in accordance with the accounting standards endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA)



Annex A: Audited Annual Financial Statements



ARTAL MENA FUND
(Public Fund - Open ended)
(Managed by Artal Capital Company)

Financial Statements
For the period from 17 February 2025 to 31 December 2025
Together with the
Independent Auditor's Report to the Unitholders

ARTAL MENA FUND
(Public Fund - Open ended)
(Managed by Artal Capital Company)

Financial Statements
For the period from 17 February 2025 to 31 December 2025

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ARTAL MENA FUND
MANAGED BY ARTAL CAPITAL COMPANY

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Artal MENA Fund (the "Fund") managed by Artal capital company (the "Fund Manager") as at 31 December 2025, and its financial performance, and its cash flows for the the period from 17 February 2025 to 31 December 2025 in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the Fund, which comprise of the following:

- The statement of financial position as at 31 December 2025;
- The statement of profit or loss and other comprehensive income for the period then ended;
- The statement of Changes in net assets (Equity) attributable to the unitsholders for the period then ended;
- The statement of cash flows for the period 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 are independent from the Company in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management 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 Fund's Term's and conditions and for such internal control as management 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, management 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 management 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 Board of Directors, are responsible for overseeing the Fund's financial reporting process.

RIYADH

Tel. +966 11 206 5333 P.O.Box 69658
Fax +966 11 206 5444 Riyadh 11557

JEDDAH

Tel. +966 12 652 5333 P.O.Box 16651
Fax +966 12 652 2894 Jeddah 21454

AL KHOBAR

Tel. +966 13 893 3378 P.O.Box 4638
Fax +966 13 893 3349 Al Khobar 31952

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ARTAL MENA FUND
MANAGED BY ARTAL CAPITAL COMPANY

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 misstatements, 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 risk 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 the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the management;
- Conclude on the appropriateness of management'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 the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in 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 auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern; and
- 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.

RIYADH

Tel. +966 11 206 5333 P.O.Box 69028
Fax +966 11 206 5444 Riyadh 11557

JEDDAH

Tel. +966 12 652 5333 P.O.Box 15651
Fax +966 12 652 2894 Jeddah 21454

AL KHOBAR

Tel. +966 13 893 3378 P.O.Box 4636
Fax +966 13 893 3349 Al Khobar 31952

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ARTAL MENA FUND
MANAGED BY ARTAL CAPITAL COMPANY

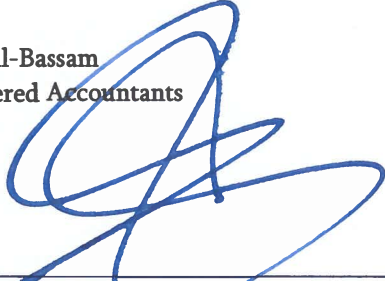
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

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.

PKF Al-Bassam
Chartered Accountants



Abdulrahman Al Bassam
Certified Public Accountant
License No. 703
Riyadh: 12 Shawwal 1447 H
Corresponding to: 31 March 2026



RIYADH

Tel. +966 11 206 5333 P.O.Box 69658
Fax +966 11 206 5444 Riyadh 11557

JEDDAH

Tel. +966 12 652 6333 P.O.Box 15651
Fax +966 12 652 2894 Jeddah 21454

AL KHOBAR

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Fax +966 13 893 3349 Al Khobar 31952

ARTAL MENA FUND
(Public Fund - Open ended)
(Managed by Artal Capital Company)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	31 December 2025
Assets		
Cash and cash equivalents	5	6,903,558
Financial assets at fair value through profit or loss (FVTPL)	6	20,636,766
Total assets		27,540,324
Liabilities		
Management fees payable	7	584
Payable against purchased securities		5,560,607
Accrued expenses and other liabilities	8	120,349
Total liabilities		5,681,540
Net assets (equity) attributable to the Unitholders		21,858,784
Units in issuance (in numbers)		
Class A		52,386
Class B		2,316,576
Net assets (Equity) value per unit		
Class A		9.11
Class B		9.23

The accompanying notes from 1 to 15 form an integral part of these financial statements.

ARTAL MENA FUND
(Public Fund - Open ended)
(Managed by Artal Capital Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the period from 17 February 2025 to 31 December 2025
(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	For the period from 17 February 2025 to 31 December 2025
Income / (loss)		
Realized loss from disposal of financial assets at FVTPL	6	(1,212,313)
Unrealized loss from financial assets at FVTPL	6	(681,197)
Net loss on foreign currency translation		(43,042)
Dividend income		473,227
Other Income		986
Total loss		(1,462,339)
Expenses		
Administration fee		(89,700)
Custodian fee		(14,070)
Management fee	7	(6,247)
Other expenses	9	(253,985)
Total expenses		(364,002)
Net loss for the period		(1,826,341)
Other comprehensive income for the period		-
Total comprehensive loss for the period		(1,826,341)

The accompanying notes from 1 to 15 form an integral part of these financial statements.

ARTAL MENA FUND
(Public Fund - Open ended)
(Managed by Artal Capital Company)

STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS

For the period from 17 February 2025 to 31 December 2025

(Amounts in Saudi Arabian Riyals)

	For the period from 17 February 2025 to 31 December 2025
Net assets (Equity) attributable to the Unitholders at the beginning of the period	-
Total comprehensive loss for the period	(1,826,341)
<u>Issuance of units during the period:</u>	
Class A	590,000
Class B	40,174,693
Total issuance of units during the period	40,764,693
<u>Redemption of units during the period:</u>	
Class A	(70,000)
Class B	(17,009,568)
Total redemption of units during the period	(17,079,568)
Net assets (Equity) attributable to the Unitholders at the end of the period	21,858,784

Unit Transactions

The following is a summary of unit transactions during the period:

	For the period from 17 February 2025 to 31 December 2025
	Units
Number of units at the beginning of the period	-
<u>Units issued during the period:</u>	
Class A	59,576
Class B	4,086,176
Total Units Issued	4,145,752
<u>Units redeemed during the period:</u>	
Class A	(7,190)
Class B	(1,769,600)
Total Units Redeemed	(1,776,790)
Number of units at the end of the period	2,368,962

The Fund Manager may issue an unlimited number of units in the fund in accordance with the terms and conditions of the Fund. Each unit represents a common share in the Fund's assets.

The accompanying notes from 1 to 15 form an integral part of these financial statements.

ARTAL MENA FUND
(Public Fund - Open ended)
(Managed by Artal Capital Company)

STATEMENT OF CASH FLOWS
For the period from 17 February 2025 to 31 December 2025
(Amounts in Saudi Arabian Riyals)

	For the period from 17 February 2025 to 31 December 2025
Cash flows from operating activities	
Net loss for the period	(1,826,341)
<i>Adjustment for:</i>	
Unrealized loss from financial assets at FVTPL	681,197
Dividend income	(473,227)
	<u>(1,618,371)</u>
Net changes in operating assets and liabilities	
Financial assets at FVTPL	(21,317,963)
Management fees payable	584
Payable against purchased securities	5,560,607
Accrued expenses and other liabilities	120,349
Dividends received	473,227
Net cash used in operating activities	<u>(16,781,567)</u>
Cash flows from financing activities	
Issuance of units	40,764,693
Redemption of units	(17,079,568)
Net cash generated from financing activities	<u>23,685,125</u>
Net increase in cash and cash equivalents	6,903,558
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<u><u>6,903,558</u></u>

The accompanying notes from 1 to 15 form an integral part of these financial statements.

ARTAL MENA FUND
(Public Fund - Open ended)
(Managed by Artal Capital Company)

NOTES TO THE FINANCIAL STATEMENTS
For the period from 17 February 2025 to 31 December 2025
(Amounts in Saudi Arabian Riyals)

1 THE FUND AND ITS ACTIVITIES

Artal Mena Fund (the “Fund”) is a publicly offered open-ended equity fund. The Fund was established in the Kingdom of Saudi Arabia under the Investment Funds Regulations and is compliant with Shari’a principles. The Fund commenced its operations on 17 February 2025.

The Fund is managed by Artal Capital Company (the “Fund Manager”), a closed Joint Stock Company organised and existing under the laws of the Kingdom of Saudi Arabia, with commercial registration number 1010501601, and licensed as a Capital Market Institution by the Saudi Arabian Capital Market Authority (CMA) under license no. 18195-02.

The main investment objective of the Fund is to achieve medium to long-term capital growth via equities of listed Arab companies, IPOs, rights issues, Shariah-compliant ETFs, REITs and money-market funds under similar oversight.

The Fund has appointed Albilad Capital (the “Custodian”), a Joint stock company organized and existing under the laws of the Kingdom of Saudi Arabia with commercial registration number 1010240489, dated 11/11/1428H, and licensed as a Capital Market Institution by the CMA under license no. 08100-37 dated 2/4/1429H.

The terms and conditions of the Fund were approved by CMA on 1446/05/25 H (corresponding to 27 November 2024).

The first annual financial statements are for the period from 17 February 2025 to 31 December 2025 were produced According to the Terms and Conditions of the Fund. in the subsequent period, the Fund’s financial year will be from 1 January to 31 December of each year.

2 REGULATORY AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the CMA.

ARTAL MENA FUND
(Public Fund - Open ended)
(Managed by Artal Capital Company)

NOTES TO THE FINANCIAL STATEMENTS
For the period from 17 February 2025 to 31 December 2025
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3 BASICS OF PREPARATION

3.1 Statement of compliance

These financial statements of the Fund have been prepared in accordance with International Accounting Standard (IAS) 34 - Financial Reporting that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

3.2 Basis of measurement

The financial statements have been prepared on a historical cost convention using the accrual basis of accounting and going concern, except for the fair valuation of financial assets held at fair value through profit or loss (FVTPL).

3.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These financial statements are presented in Saudi Arabian Riyals (SAR) which is the Fund’s functional and presentation currency.

3.4 Critical accounting judgments, estimates and assumption

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

In the process of applying the Fund’s accounting policies, management has made the following estimate and judgment which is significant to these financial statements.

3.5 Going Concern

The Fund Manager has assessed 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’s ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

ARTAL MENA FUND
(Public Fund - Open ended)
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NOTES TO THE FINANCIAL STATEMENTS
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(Amounts in Saudi Arabian Riyals)

4 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below.

a) Dividend income

Dividend income is recognized in the statement of profit or loss and other comprehensive income on the date on which the right to receive payment 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 at fair value through profit or loss ("FVTPL") is recognized in the statement of profit or loss and other comprehensive income in a separate line item.

b) Investment transactions

Investment transactions are recognized on a trade date basis.

c) Management fee

Management fees are charged at rates / amounts within limits mentioned in terms and conditions of the Fund. Management fees are calculated on a daily basis based on the net asset value of the fund and are deducted monthly as below:

Class A - 1.75% p.a. of NAV

Class B - Nil

d) Cash and cash equivalents

Cash and cash equivalents consist of cash in current accounts held with a local bank. Cash and cash equivalents are measured at amortized cost in the statement of financial position.

e) Provisions

Provisions are recognized whenever there is present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

f) Accrued expenses and other liabilities

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

ARTAL MENA FUND
(Public Fund - Open ended)
(Managed by Artal Capital Company)

NOTES TO THE FINANCIAL STATEMENTS
For the period from 17 February 2025 to 31 December 2025
(Amounts in Saudi Arabian Riyals)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) *Financial assets and liabilities*

Classification of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, Fair value through other comprehensive income (“FVOCI”) or FVTPL.

Financial asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial instruments not measured at fair value are short-term financial assets and financial liabilities whose carrying amounts are a reasonable approximation of fair value. Cash and cash equivalents include cash in hand, deposits with banks and other short-term investments in an active market with original maturities of three months or less.

Financial asset at fair value through other comprehensive income (“FVOCI”)

A financial asset is measured at fair value through FVOCI only if it meets both of the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund Manager may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial asset at fair value through profit or loss (“FVTPL”)

All financial assets not classified as measured at amortized cost or FVOCI as described above, are measured at FVTPL. Investments in equity securities are classified under this category.

ARTAL MENA FUND
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(Amounts in Saudi Arabian Riyals)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) *Financial assets and liabilities (continued)*

Classification of financial assets (continued)

Business model assessment

The Fund Manager assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Fund Manager;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realized.

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

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and commission

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Commission' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g., non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g., periodical reset of interest rates.

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NOTES TO THE FINANCIAL STATEMENTS
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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) *Financial assets and liabilities (continued)*

Classification of financial assets (continued)

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Classification of financial liabilities

The Fund classifies its financial liabilities at amortized cost unless it has designated liabilities at FVTPL.

Recognition and initial measurement

Financial assets at FVTPL are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition issue.

Subsequent measurement

Financial assets at FVTPL are subsequently measured at fair value. Net gains or losses including any foreign exchange gains and losses, are recognized in profit or loss in 'gains / (losses) on investments, net' in the statement of profit or loss and other comprehensive income.

Financial assets and financial liabilities at amortized cost are subsequently measured at amortized cost using the effective interest method and are recognized in the statement of profit or loss and other comprehensive income. Any gain or loss on de-recognition is also recognized in the statement of profit or loss and other comprehensive income. The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortizing using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Derecognition

The Fund derecognizes a financial asset when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of the financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is recognized) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit or loss and other comprehensive income. Any interest in such transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) *Financial assets and liabilities (continued)*

Derecognition (continued)

The Fund enters into transactions whereby it transfers assets recognized on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risk and rewards are retained, then the transferred assets are not derecognized.

The Fund derecognize a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

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

Income and expenses are presented on a net basis for gain and losses from financial instruments at FVTPL and foreign exchange gains and losses.

h) *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 market for the asset or liability

When available, the Fund measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis. The Fund measures instruments quoted in an active market as per the official closing price in the related stock exchange where the instrument is traded.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

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NOTES TO THE FINANCIAL STATEMENTS
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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Distributions to the Unitholders

Distribution to the Unitholders is accounted for as a deduction from net assets (equity) attributable to the Unitholders. An interim dividend is recognized as a liability in the period in which it is irrevocably declared by the Fund Manager. A final dividend is recognized as a liability in the period in which it is approved by the Fund Manager.

j) Redeemable Units

The Fund classified financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund has redeemable units in issue. On liquidation of the Fund, they entitle the holders to the residual net assets. They are equal in all respects and have identical terms and conditions. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund net assets at each redemption date and also in the event of the Fund's liquidation.

Redeemable units are classified as equity as it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in 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.

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NOTES TO THE FINANCIAL STATEMENTS
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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) New standards, amendments and interpretations issued and effective from 1 January 2025

There are new standards, amendments and interpretations apply for the first time in 2025, but do not have an impact on the financial statements of the Fund.

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

There are new standards, amendments and interpretations that apply for the first time in 2025, but do not have an impact on the financial statements of the Fund.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IAS 21	Lack of Exchangeability	1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.	Management has assessed the adoption of these amendments and concluded that they did not have a material impact on the Company's financial position, financial performance, or cash flows for the current reporting period

L) New standards, amendments and revised IFRS issued but not yet effective

The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management assessment
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	Management has performed a preliminary assessment and does not expect the adoption of these amendments to have a material impact on the Company's financial statements, as the Company's financial instruments and settlement arrangements are not expected to be 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.	Based on the nature of the Company's operations and contractual arrangements, management does not expect these amendments to have a material impact on the Company's financial statements upon initial application.

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

L) New standards, amendments and revised IFRS issued but not yet effective (Continued)

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.

Management anticipates that these new standards interpretations and amendments will be adopted in the Fund's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Fund in the period of initial application.

5 CASH AND CASH EQUIVALENTS

	31 December 2025
	<hr/>
Balance with custodian	6,903,558
	<hr/>
	6,903,558
	<hr/> <hr/>

ARTAL MENA FUND
(Public Fund - Open ended)
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NOTES TO THE FINANCIAL STATEMENTS
For the period from 17 February 2025 to 31 December 2025
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6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

A- Financial assets are represented at fair value through profit or loss in shares of joint stock companies listed on the stock markets, the geographical distribution of financial assets at fair value through profit or loss is as follows:

Geographical area	31 December 2025			
	% of fair value	Cost	Fair Value	Unrealized gain/(loss)
Saudi Arabia	75.45%	16,675,424	15,569,903	(1,105,521)
U. A. E	12.81%	2,649,323	2,643,474	(6,238)
Kuwait	8.35%	1,348,398	1,723,789	378,536
Qatar	3.39%	647,519	699,600	52,026
	100%	21,320,664	20,636,766	(681,197)

B- The movement on financial assets at FVTPL during the period ended 31 December 2025 is as follows:

	For the period from 17 February 2025 to 31 December 2025
Balance at the beginning of the period	-
Additions during the period	53,100,788
Disposals during the period	(30,570,512)
Realized on disposal of financial assets at FVTPL	(1,212,313)
Unrealized loss on financial assets at FVTPL	(681,197)
Balance at the end of the period	20,636,766

C- The sector classification of investments at fair value through profit or loss is as follows:

Sector	31 December 2025		
	Cost	Fair Value	% of total fair value
Real Estate Management & Development	4,585,388	4,829,577	23.40%
Banks	4,350,175	4,206,477	20.38%
Materials	3,327,987	3,100,656	15.02%
Consumer Services	2,134,615	2,200,163	10.66%
Consumer Discretionary Distribution & Retail	2,189,779	2,044,050	9.90%
Insurance	1,495,685	1,279,746	6.20%
Transportation	1,262,198	1,020,163	4.94%
Capital Goods	879,995	847,508	4.11%
Software & Services	647,519	699,600	3.39%
Food & Beverage	447,323	408,826	1.99%
	21,320,664	20,636,766	100.00%

ARTAL MENA FUND
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NOTES TO THE FINANCIAL STATEMENTS
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7 RELATED PARTY TRANSACTIONS AND BALANCES

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 the Fund Manager and Fund Board.

A- The most significant material transactions with related parties during the period ended 31 December 2025 are as follows:

Related Party	Nature of relationship	Nature of transactions	For the period from 17 February 2025 to 31 December 2025
Artal Capital Company	Fund Manager	Management fees	6,247
Board of Directors	Board of Directors	Director's fees	16,000

B- Balances arising from the above transactions with related parties are as follows:

Related Party	Nature of relationship	Nature of transactions	31 December 2025
Artal Capital Company	Fund Manager	Management fees payable	584
*Board of Directors	Board of Directors	Director's fees payable	16,000

*Those balances were mapped to "Accrued expenses and other liabilities" accounts.

8 ACCRUED EXPENSES AND OTHER LIABILITIES

	31 December 2025
Shariah service fees payable	21,000
Transfer agent fee payable	19,478
Transaction fee payable	17,563
Directors fee payable	16,000
Audit fee payable	11,500
Zakat and tax consultant fee payable	11,500
Administration fees payable	8,625
Shariah board fee payable	8,400
Custodian fee payable	3,156
Accounting fee payable	2,695
Out of pocket expense payable	432
	120,349

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9 OTHER EXPENSES

	For the period from 17 February 2025 to 31 December 2025
TA Transaction fee	43,125
Audit fee expense	40,250
Accounting fees	32,344
Transaction fee	28,204
Shariah service fees	21,000
Directors fee expense	16,000
Other expenses	15,306
Setup cost expenses	12,938
Zakat and tax consultant fee	11,500
Publishing fees	9,925
Shariah board fee expense	8,400
License fee	7,500
Out of pocket expense	4,485
Bank charges	3,008
	<u><u>253,985</u></u>

10 FINANCIAL INSTRUMENTS BY CATEGORY

31 December 2025	<u>Amortized cost</u>	<u>FVPTL</u>
As per statement of financial position		
Assets		
Cash and cash equivalents	6,903,558	-
Financial assets at FVTPL	-	20,636,766
Total	<u><u>6,903,558</u></u>	<u><u>20,636,766</u></u>

All financial liabilities as at 31 December 2025 were classified as financial liabilities carried at amortized cost.

11 FINANCIAL RISK MANAGEMENT

11.1 Financial risk factors

The objective of the Funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its Unit Holders and to ensure reasonable safety to the Unit Holders.

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.

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11 FINANCIAL RISK MANAGEMENT (CONTINUED)

11.1 Financial risk factors (continued)

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

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

a. Market risk

(i) Foreign exchange risk

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

All financial assets of the Funds are denominated in various GCC currencies all of which are pegged to the United States Dollar similar to the functional currency Saudi Riyal, except for the Kuwaiti Dinar which is not fully pegged to the United States Dollar. The effect on the equity attributable to the Unitholders as a result of the change in the exchange rate as at 31 December 2025 with all other variables held constants is immaterial. Currency risk is managed through continuous monitoring of exposures.

(ii) Price Risk

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

The price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund Manager diversifies the investment portfolio and closely monitors the price movement of its investments in financial instruments. As of the statement of financial position date, Fund has equity investments.

The following is the impact on the net asset value (equity) as a result of the change in the fair value of investments as of 31 December 2025.

Nature of transaction	31 December 2025	
	Reasonable possible change	Impact on fair value
Financial assets at fair value through profit or loss	+ / - 1%	206,368

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11 FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Credit Risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

It is the Fund's policy to enter into financial instrument contracts with reputable counterparties. The Fund seeks to limit its credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Fund is exposed to credit risk for its cash at bank, Cash at bank are deposited with a Saudi bank with a good financial rating.

The following table shows the maximum exposure to credit risk for the components of the statement of financial position:

	31 December 2025
Cash at the bank	6,903,558

Cash and cash equivalents are held with banks that have good credit ratings; accordingly, no ECL for impairment has been recognized in these financial statements.

c. Liquidity risk

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

The Fund's terms and conditions provide for subscription and redemption of units on every business day and it is, therefore, exposed to the liquidity risk of meeting Unitholder redemptions on these days. The Fund's financial liabilities primarily consist of payables which are expected to be settled within one month from the statement of financial position date.

The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by taking short term loans from the Fund Manager.

The contractual and expected maturity of all liabilities outstanding at the reporting date are within 12 months.

ARTAL MENA FUND
(Public Fund - Open ended)
(Managed by Artal Capital Company)

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11 FINANCIAL RISK MANAGEMENT (CONTINUED)

d. Operational risk

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

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

Capital risk Management

The capital of the Fund is represented by the equity attributable to holders of redeemable units. The amount of equity attributable to holders of redeemable units can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of unitholders on every Valuation Day, 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 the Unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund. The Fund Manager monitors capital on the basis of the value of equity attributable to the Unitholders.

Fair Value estimation

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales were reported on the valuation day are valued at the most recent bid price. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying value less impairment provision of financial instruments carried at amortized cost are assumed to approximate their fair values. The fair value hierarchy has the following levels.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The table below presents the financial instruments at their fair value as at 31 December 2025 based on the fair value hierarchy.

31 December 2025	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	20,636,766	-	-	20,636,766

Other financial instruments such as, cash and cash equivalents, are short-term financial asset whose carrying amount approximate their fair value, because of their short-term nature and high credit quality of counterparty. For all other financial assets and liabilities, the carrying value approximates their fair value.

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12 ZAKAT

According to the zakat rules for investment funds, investment funds are not subject to the collection of zakat in accordance with the rules for collecting zakat from investors in investment funds, provided that they do not carry out economic activities or investment activities that are not stipulated in the terms and conditions of those investment funds. The fund manager must submit an information declaration to the Authority within a period not exceeding 120 days from the end of the financial year. The fund manager has registered the fund and will submit the annual zakat information return to the Authority.

13 SUBSEQUENT EVENTS

There are no significant adjusting events subsequent to the statement of financial position date that require disclosures and / or adjustments in the financial statements.

14 LAST VALUATION DAY

The last valuation day of the period was 31 December 2025

15 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Fund's Board on 11 Shawwal 1447 H Corresponding to 30 March 2026.