

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

Interim Condensed Financial Statements (Unaudited)
For the period from 17 February 2025 to 30 June 2025
Together with the
Independent Auditor's Review Report to the Unitholders

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

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For the period from 17 February 2025 to 30 June 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE UNITHOLDERS OF ARTAL MENA FUND
Public Fund - Open ended
Riyadh, kingdom of Saudi Arabia

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of "ARTAL MENA FUND" (the "Fund"), managed by Artal Capital Company (the Fund Manager) as of 30 June 2025 and the related interim statements comprehensive income, and the change in net assets (equity) attributable to the unitholders and the cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes Management 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.

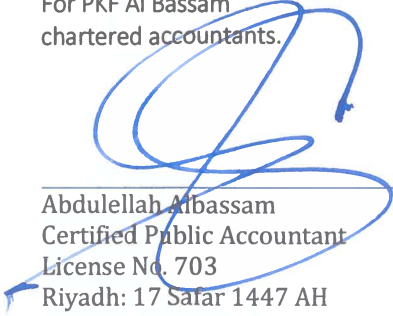
SCOPE OF REVIEW

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.

For PKF Al Bassam
chartered accountants.


Abdulellah Albassam
Certified Public Accountant
License No. 703
Riyadh: 17 Safar 1447 AH
Corresponding to: 11 August 2025



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

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2025

(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	30 June 2025 (Unaudited)
Assets		
Cash and cash equivalents	5	1,839,480
Financial assets at fair value through profit or loss (FVTPL)	6	31,076,996
Dividends receivable		15,247
Receivable against securities sold		7,037
Prepayments and other assets		20,953
Total assets		32,959,713
Liabilities		
Management fees payable	7	494
Payable against purchased securities		136,472
Accrued expenses and other liabilities	8	72,479
Total liabilities		209,445
Net assets (equity) attributable to the Unitholders		32,750,268
Units in issuance (in numbers)		3,338,153
Client Class A		41,809
Client Class B		3,296,344
Net assets (Equity) value per unit		
Client Class A		9.75
Client Class B		9.81

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

ARTAL MENA FUND
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INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period from 17 February 2025 to 30 June 2025

(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	For the period from 17 February 2025 to 30 June 2025 (Unaudited)
Income / (loss)		
Realized loss from disposal of financial assets at FVTPL	6	(422,121)
Unrealized loss from financial assets at FVTPL	6	(306,088)
Net loss on foreign currency translation		(19,327)
Dividend income		372,043
Total loss		<u>(375,493)</u>
Expenses		
Administration fee		(38,753)
Custodian fee		(6,717)
Management fee	7	(2,767)
Other expenses	9	(100,975)
Total expenses		<u>(149,212)</u>
Net loss for the period		<u>(524,705)</u>
Other comprehensive income for the period		-
Total comprehensive loss for the period		<u><u>(524,705)</u></u>

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

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

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

For the period from 17 February 2025 to 30 June 2025

(Amounts in Saudi Arabian Riyals)

	For the period from 17 February 2025 to 30 June 2025 (Unaudited)
Net assets (Equity) attributable to the Unitholders at the beginning of the period	-
Total comprehensive loss for the period	(524,705)

Issuance of units during the period:

Client Class A	490,000
Client Class B	32,873,393
Total issuance of units during the period	33,363,393

Redemption of units during the period:

Client Class A	(70,000)
Client Class B	(18,420)
Total redemption of units during the period	(88,420)

Net assets (Equity) attributable to the Unitholders at the end of the period	32,750,268
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Unit Transactions

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

	For the period from 17 February 2025 to 30 June 2025 (Unaudited) Units
Number of units at the beginning of the period	-
<u>Units issued during the period:</u>	
Client Class A	49,000
Client Class B	3,298,318
Total Units Issued	3,347,318
<u>Units redeemed during the period:</u>	
Client Class A	(7,191)
Client Class B	(1,974)
Total Units Redeemed	(9,165)
Number of units at the end of the period	3,338,153

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 interim condensed financial statements.

ARTAL MENA FUND
(Public Fund - Open ended)
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INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
For the period from 17 February 2025 to 30 June 2025
(Amounts in Saudi Arabian Riyals)

	For the period from 17 February 2025 to 30 June 2025 (Unaudited)
Cash flows from operating activities	
Net loss for the period	(524,705)
<i>Adjustment for:</i>	
Unrealized loss from financial assets at FVTPL	<u>306,088</u>
	(218,617)
Net changes in operating assets and liabilities	
Financial assets at FVTPL	(31,383,084)
Receivable against securities sold	(7,037)
Prepayments and other assets	(20,953)
Management fees payable	494
Payable against purchased securities	136,472
Accrued expenses and other liabilities	72,479
Dividends receivables	(15,247)
Net cash used in operating activities	<u>(31,435,493)</u>
Cash flows from financing activities	
Issuance of units	33,363,393
Redemption of units	(88,420)
Net cash generated from financing activities	<u>33,274,973</u>
Net increase in cash and cash equivalents	1,839,480
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<u><u>1,839,480</u></u>

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

ARTAL MENA FUND
(Public Fund - Open ended)
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 17 February 2025 to 30 June 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 (primary & parallel markets), 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).

These interim condensed financial statements for the period from 17 February 2025 to 30 June 2025 are the initial financial statements of the Fund.

2 REGULATORY AUTHORITY

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 17 February 2025 to 30 June 2025
(Amounts in Saudi Arabian Riyals)

3 BASICS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim 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"). In addition, results for the period from 17 February 2025 to 30 June 2025, are not necessarily indicative of the actual results for the full year ending on 31 December 2025 and final results may differ.

3.2 Basis of measurement

The interim condensed 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 interim condensed financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These interim condensed 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 interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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 interim condensed 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 interim condensed financial statements have been prepared on a going concern basis.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 17 February 2025 to 30 June 2025
(Amounts in Saudi Arabian Riyals)

4 MATERIAL ACCOUNTING POLICIES

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

a) *Dividend income*

Dividend income is recognized in the interim 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 interim 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:

Client Class A - 1.75% p.a. of NAV

Client 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 interim 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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 17 February 2025 to 30 June 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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 17 February 2025 to 30 June 2025
(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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 17 February 2025 to 30 June 2025
(Amounts in Saudi Arabian Riyals)

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 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 interim statement of profit or loss and other comprehensive income.

Financial assets and financial liabilities at amortized cost are subsequently measured at amortized cost using effective interest method and is recognized in the interim statement of profit or loss and other comprehensive income. Any gain or loss on de-recognition is also recognized in the interim 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 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 interim 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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 17 February 2025 to 30 June 2025
(Amounts in Saudi Arabian Riyals)

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 interim 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 consider 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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 17 February 2025 to 30 June 2025
(Amounts in Saudi Arabian Riyals)

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.

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

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

<u>New and revised</u> <u>Accounting</u> <u>Standards</u>	<u>Summary of amendment</u>	<u>Effective for</u> <u>annual periods</u> <u>beginning on or</u> <u>after</u>
Amendment to IAS 27 - Lack of Exchangeability	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.	1 January 2025

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 17 February 2025 to 30 June 2025
(Amounts in Saudi Arabian Riyals)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

l) New standards, amendments and interpretations effective after 1 January 2025 and have not early adopted

The following standards, amendments to standards and interpretations are not yet effective and neither expected to have a significant impact on the Fund's interim condensed financial statements:

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's interim condensed financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

<u>New and revised Accounting Standards</u>	<u>Summary of amendment</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date not yet decided
Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.	1 January 2026

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For the period from 17 February 2025 to 30 June 2025
(Amounts in Saudi Arabian Riyals)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

1) New standards, amendments and interpretations effective after 1 January 2025 and have not early adopted (continued)

<u>New and revised Accounting Standards</u>	<u>Summary of amendment</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	1 January 2027

5 CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited)
Balance with custodian	1,839,480
	1,839,480

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 17 February 2025 to 30 June 2025
(Amounts in Saudi Arabian Riyals)

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	30 June 2025 (Unaudited)			
	% of fair value	Cost	Fair Value	Unrealized gain/(loss)
Saudi Arabia	82.18%	26,260,374	25,539,928	(720,446)
Kuwait	7.94%	2,125,902	2,468,803	342,901
U. A. E	7.49%	2,254,161	2,326,998	72,837
Qatar	2.39%	742,647	741,267	(1,380)
	100.00%	31,383,084	31,076,996	(306,088)

B- The movement on financial assets at FVTPL during the period ended 30 June 2025 is as follows:

	For the period from 17 February 2025 to 30 June 2025 (Unaudited)
Balance at the beginning of the period	-
Additions during the period	40,325,630
Disposals during the period	(8,520,425)
Realized on disposal of financial assets at FVTPL	(422,121)
Unrealized loss on financial assets at FVTPL	(306,088)
Balance at the end of the period	31,076,996

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

Sector	30 June 2025 (Unaudited)		
	Cost	Fair Value	% of total fair value
Real Estate Management & Development	6,198,767	6,859,151	22.07%
Banks	6,817,387	6,349,263	20.43%
Insurance	4,313,434	4,648,273	14.96%
Materials	4,107,545	3,894,230	12.53%
Consumer Services	2,721,753	2,456,017	7.90%
Consumer Discretionary Distribution & Retail	2,042,335	1,855,356	5.97%
Transportation	2,043,619	1,825,120	5.87%
Financial Services	1,126,687	1,207,930	3.89%
Commercial & Professional Services	1,045,544	938,374	3.02%
Software & Services	742,789	741,267	2.39%
Food, Beverage	214,356	272,688	0.88%
Industrial	16,803	16,860	0.05%
Food Processing	12,473	12,467	0.04%
	31,403,492	31,076,996	100.00%

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
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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 30 June 2025 are as follows:

Related Party	Nature of relationship	Nature of transactions	For the period from 17 February 2025 to 30 June 2025 (Unaudited)
Artal Capital Company	Fund Manager	Management fees	2,767
Board of Directors	Board of Directors	Director's fees	6,713

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

Related Party	Nature of relationship	Nature of transactions	30 June 2025 (Unaudited)
Artal Capital Company	Fund Manager	Management fees payable	494
*Board of Directors	Board of Directors	Director's fees payable	6,713

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

8 ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2025 (Unaudited)
Audit fee payable	16,887
Transfer agent fee payable	9,540
Administration fees payable	9,428
Shariah service fees payable	8,811
Transaction fee payable	7,750
Directors fee payable	6,713
Zakat and tax consultant fee payable	4,825
Custodian fee payable	3,985
Shariah board fee payable	3,524
Accounting fee payable	544
Out of pocket expense payable	472
	72,479

ARTAL MENA FUND
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(Managed by Artal Capital Company)

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9 OTHER EXPENSES

	For the period from 17 February 2025 to 30 June 2025 (Unaudited)
TA Transaction fee	18,093
Audit fee expense	16,887
Accounting fees	14,021
Transaction fee	9,181
Shariah service fees	8,811
Directors fee expense	6,713
Setup cost expenses	5,428
Zakat and tax consultant fee	4,825
Publishing fees	4,288
License fee	4,196
Shariah board fee expense	3,524
Out of pocket expense	1,938
Other expenses	1,745
Bank charges	1,325
	100,975

10 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2025 (Unaudited)	Amortized cost	FVPTL
As per interim statement of financial position		
Assets		
Cash and cash equivalents	1,839,480	-
Financial assets at FVTPL	-	31,076,996
Receivable against securities sold	7,037	-
Dividends receivable	15,247	-
Total	1,861,764	31,076,996

All financial liabilities as at 30 June 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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
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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 30 June 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 interim 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 June 30, 2025.

Nature of transaction	30 June 2025 (Unaudited)	
	Reasonable possible change	Impact on fair value
Financial assets at fair value through profit or loss	+ / - 1%	310,770

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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, dividends receivable and receivable against securities sold. 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:

	30 June 2025 (Unaudited)
Cash at the bank	1,839,480
Receivable against securities sold	7,037
Dividends receivable	15,247

The Fund Manager has performed an ECL assessment of financial assets carried at amortized cost. No provision for impairment of these financial assets was recognized in these interim condensed financial statements for impairment of these financial assets because the amount was not material.

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.

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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 30 June 2025 based on the fair value hierarchy.

30 June 2025 (Unaudited)	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	31,076,996	-	-	31,076,996

Other financial instruments such as, cash and cash equivalents, receivable against securities sold and dividends receivable 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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
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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 interim condensed 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 30 June 2025

15 APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Fund's Board on 16 Safar 1447 AH Corresponding to 10 August 2025.