

ARTAL SAUDI EQUITY FREESTYLE FUND
(Equity Focused Fund - Public Fund - Open ended)
(Managed by Artal Capital Company)

Interim Condensed Financial Statements (Unaudited)
For the period from 28 January 2025 to 30 June 2025
Together with the
Independent Auditor's Review Report to the Unitholders

ARTAL SAUDI EQUITY FREESTYLE FUND
(Equity Focused Fund - Public Fund - Open ended)
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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE UNITHOLDERS OF ARTAL SAUDI EQUITY FREESTYLE FUND
Equity Focused Fund - Public Fund - Open ended
Riyadh, kingdom of Saudi Arabia

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of "ARTAL SAUDI EQUITY FREESTYLE FUND" (the "Fund"), managed by Aartal 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 unitholder 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.

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



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ARTAL SAUDI EQUITY FREESTYLE FUND
(Equity Focused Fund - Public Fund - Open ended)
(Managed by Artal Capital Company)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2025

(Amounts *in SAR*)

	<i>Notes</i>	30 June 2025 (Unaudited)
Assets		
Cash at the bank	5	7,009,394
Financial assets at fair value through profit or loss	6	175,254,928
Dividends receivable		98,156
Receivable against securities sold		443,191
Prepaid expenses and other assets	7	20,195
Total assets		182,825,864
Liabilities		
Payable against purchased securities		917,372
Accrued expenses and other liabilities	9	76,632
Total liabilities		994,004
Unitholder funds		
Net value of assets attributable to unitholders (SAR)		181,831,860
Units in issuance (numbers)		
Class A		57,658
Class B		19,157,590
Total Units Issued		19,215,248
Fair value of assets attributable to the unit (SAR)		
Class A		9.35
Class B		9.46

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

ARTAL SAUDI EQUITY FREESTYLE FUND
(Equity Focused Fund - Public Fund - Open ended)
(Managed by Artal Capital Company)

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the period from 28 January 2025 to 30 June 2025

(Amounts in SAR)

		For the period from 28 January 2025 to 30 June 2025 (Unaudited)
	<i>Notes</i>	
INCOME / (LOSS)		
Realized loss from the sale of financial assets at fair value through profit or loss	6	(1,545,853)
Unrealized loss from financial assets at fair value through profit or loss	6	(6,446,797)
Other Income		12
Dividend Income		<u>1,570,215</u>
Total Loss for the period		<u>(6,422,423)</u>
Expenses		
Other expenses	10	(87,622)
Operating fees		(57,988)
Custodian fees		(19,273)
Management fees	8	<u>(3,247)</u>
Total expenses		<u>(168,130)</u>
Net loss for the period		<u>(6,590,553)</u>
<u>Other comprehensive income</u>		<u>-</u>
Total comprehensive loss for the period		<u><u>(6,590,553)</u></u>

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

ARTAL SAUDI EQUITY FREESTYLE FUND
(Equity Focused Fund - Public Fund - Open ended)
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INTERIM STATEMENT OF CHANGES IN NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

For the period from 28 January 2025 to 30 June 2025

(Amounts in SAR)

	For the period from 28 January 2025 to 30 June 2025 (Unaudited)
Net value of assets attributable to unitholders, beginning of the period	-
Total comprehensive loss for the period	(6,590,553)
<u>Collected from the units issued during the period:</u>	
Class A	564,500
Class B	188,118,104
Total collection of issued units during the period	188,682,604
<u>Paid from units recovered during the period:</u>	
Class A	-
Class B	(260,191)
Total reimbursement of refunds during the period	(260,191)
Net value of assets attributable to unitholders, period-end	181,831,860

Unit Transactions

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

	For the period from 28 January 2025 to 30 June 2025 (Unaudited) Number of Units
Number of units, beginning of the period	-
<u>Units issued during the period:</u>	
Class A	57,658
Class B	19,187,126
Total Units Issued	19,244,784
<u>Units redeemed during the period:</u>	
Class A	-
Class B	(29,536)
Total Units Redeemed	(29,536)
Number of Units, End of Period	19,215,248

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 16 form an integral part of these interim condensed financial statements.

ARTAL SAUDI EQUITY FREESTYLE FUND
(Equity Focused Fund - Public Fund - Open ended)
(Managed by Artal Capital Company)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
For the period from 28 January 2025 to 30 June 2025
(Amounts in SAR)

	For the period from 28 January 2025 to 30 June 2025 (Unaudited)
Cash flows from operating activities	
Net loss for the period	(6,590,553)
Adjustments to reconcile net loss for the period to net cash available from/(used in) operating activities	
Unrealized loss from financial assets at fair value through profit or loss	<u>6,446,797</u>
	(143,756)
Changes in operating assets and liabilities	
Financial assets at fair value through profit or loss	(181,701,725)
Dividend receivable	(98,156)
Receivable against securities sold	(443,191)
Prepaid expenses and other assets	(20,195)
Payable against purchased securities	917,372
Accrued expenses and other liabilities	<u>76,632</u>
Net cash used in operating activities	<u>(181,413,019)</u>
Cash flows from financing activities	
Issuance of units	188,682,604
Redemption of units	<u>(260,191)</u>
Net cash from financing activities	<u>188,422,413</u>
Net change in cash at the Bank	7,009,394
Cash at the Bank, beginning of the period	<u>-</u>
Cash at the Bank, end of the period	<u><u>7,009,394</u></u>

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

ARTAL SAUDI EQUITY FREESTYLE FUND
(Equity Focused Fund - Public Fund - Open ended)
(Managed by Artal Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 28 January 2025 to 30 June 2025
(Amounts in SAR)

1- THE FUND AND ITS ACTIVITIES

Artal Saudi Equity Freestyle Fund (the "Fund") is a open-ended, publicly offered equity fund focused on Saudi stocks 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 28 January 2025.

The Fund is managed by Artal Capital Company (the "Fund Manager"), a closed Joint Stock Company organized 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 under license no. 18195-02.

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 Saudi Arabia Capital Market Authority under license no. 08100-37 dated 2/4/1429H.

Purpose of the Fund

The fund aims to achieve medium to long-term capital growth via Saudi-listed equities, IPOs, secondary issues, rights issues, Shariah-compliant ETFs, REITs, public equity and Shariah-compliant money-market funds.

The terms and conditions of the Fund were approved by CMA on 1446/07/06 H (corresponding to 6 January 2025).

The interim Condensed financial statements for the period from 28 January 2024 to 30 June 2025 are the initial statements of the Fund.

2- REGULATORY AUTHORITY

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

3- BASIS 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 pronouncement issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The results for the period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial period ending 31 December 2025.

3.2- Basis of measurement

These interim condensed financial statements have been prepared on a historical cost basis. Except for investment held at fair value through profit or loss that are measured at fair value.

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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 28 January 2025 to 30 June 2025
(Amounts in SAR)

3- BASIS OF PREPARATION (CONTINUED)

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 financial statements.

3.5- Going Concern

The Fund Manager has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern. Accordingly, these interim condensed financial statements have been prepared on a going concern basis.

4- MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these interim condensed financial statements are explained below:

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.

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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 28 January 2025 to 30 June 2025
(Amounts in SAR)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets and liabilities (continued)

Classification of financial assets (continued)

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.

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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 28 January 2025 to 30 June 2025
(Amounts in SAR)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets and liabilities (continued)

Classification of financial assets (continued)

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.

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 interim statement of profit or loss and comprehensive income.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 28 January 2025 to 30 June 2025
(Amounts in SAR)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial assets and liabilities (continued)

Classification of financial assets (continued)

Subsequent measurement (continued)

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

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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 28 January 2025 to 30 June 2025
(Amounts in SAR)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

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

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

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.

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;

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 28 January 2025 to 30 June 2025
(Amounts in SAR)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Redeemable Units (continued)

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

- 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.

Zakat

Zakat is the obligation of the unitholders and therefore, no provision for such liability is made in these financial statements.

Net asset value

The net asset value per unit as disclosed in the interim statement of financial position is calculated by dividing the net assets of the Fund by the number of units at the end of the period.

Dividend income

Dividend income, if any is recognized in the interim statement of profit or loss and other comprehensive income on the date on which the right to receive the payment for dividend is established. For quoted equity securities, this is usually the ex-dividend date. Dividend income from equity securities designated as at FVTPL, is recognized in the interim statement of profit or loss and other comprehensive income in a separate line item

Revenue recognition

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

Provision

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

Management fees

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

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 28 January 2025 to 30 June 2025
(Amounts in SAR)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Net gain or loss on financial assets and liabilities at Fair Value through Profit or Loss (“FVTPL”)

Net gains or losses on financial assets and liabilities at FVTPL are changes in the fair value of financial assets held for trading or designated upon initial recognition as at FVTPL and exclude interest and dividend income and expenses.

Unrealized gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of the prior period’s unrealized gains and losses for financial instruments which were realized in the reporting period. Realized gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the weighted average cost method. They represent the difference between an instrument’s initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

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 financial statements of the Fund.

<u>New and revised Accounting Standards</u>	<u>Summary of amendment</u>	<u>Effective for annual periods beginning on or after</u>
Amendment to IAS 27 - Lack of Exchangeability	<p>The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.</p>	1 January 2025

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 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 financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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(Amounts in SAR)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

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>
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

5- CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited)
Cash at bank	7,009,394
	7,009,394

ARTAL SAUDI EQUITY FREESTYLE FUND
(Equity Focused Fund - Public Fund - Open ended)
(Managed by Artal Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
For the period from 28 January 2025 to 30 June 2025
(Amounts in SAR)

6- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

- 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 investments at fair value through profit or loss is as follows:

30 June 2025 (Unaudited)				
	Rate %	Book value	Fair Value	Unrealized loss
Saudi Arabia	100.00%	181,701,725	175,254,928	(6,446,797)
	100.00%	181,701,725	175,254,928	(6,446,797)

- B- Financial The movement on financial assets at fair value through profit or loss during the period ended June 30 is as follows:

	2025
Book value, beginning of the period	-
Add-ons during the period	218,628,528
Disposal during the period*	(36,926,803)
Book value, period-end	181,701,725
Unrealized loss	(6,446,797)
Fair value, period-end	175,254,928

*The amount is the book value of sales of assets at fair value through profit or loss against a selling price of SAR 35,380,950 resulting in realized loss of SAR 1,545,853 included in the statement of profit or loss.

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

30 June 2025 (Unaudited)			
Sector	Cost	Fair Value	% of total fair value
Banks	57,480,653	52,897,831	30.18%
Insurance	25,485,483	27,363,586	15.61%
Materials	23,240,955	22,115,720	12.62%
Consumer Services	17,091,938	15,629,565	8.92%
Real Estate Management & Development	12,679,613	14,269,447	8.14%
Consumer Discretionary Distribution & Retail	12,236,114	11,702,646	6.68%
Transportation	11,758,561	10,619,648	6.06%
Commercial & Professional Services	9,340,747	8,843,745	5.05%
Financial Services	8,192,043	7,989,348	4.56%
Health Care Equipment & Services	4,034,920	3,662,418	2.09%
Industrial	91,495	91,807	0.05%
Food Processing	69,203	69,167	0.04%
	181,701,725	175,254,928	100.00%

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7- PREPAID EXPENSES AND OTHER ASSETS

	30 June 2025 (Unaudited)
Prepaid expenses	20,195
	20,195

8- TRANSACTIONS AND BALANCE WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include Artal Capital Company (“the Fund Manager”), affiliates of the Fund Manager, the Funds managed by the Fund Manager and the Unitholders of the Fund.

The Fund transacts business with related parties in the ordinary course of its activities.

Related Party	Nature of the relationship	Type of transactions	Amount of the transaction during the period from 28 January 2025 to 30 June 2025 (Unaudited)	Balance as of 30 June 2025 (Unaudited)
Artal Capital Company	Fund Manager	Management fees	3,247	653
Board of Directors	Board of Directors members	Board Fees Expenses	7,264	7,264

*Those balances were mapped to “Accrued expenses and other liabilities” account.

9- ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2025 (Unaudited)
Audit fees payable	15,663
Custodian fee payable	15,473
Shariah service fees payable	9,534
Administration fees payable	7,654
Directors fee payable	7,264
Transfer Agent fee payable	5,488
Zakat and Tax consultant fee payable	5,221
Transaction fee payable	4,278
Shariah Board fees payable	3,814
Accounting fees payable	1,208
Management fees payable	653
Out of Pocket expense payable	382
	76,632

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10- OTHER EXPENSES

	For the period from 28 January 2025 to 30 June 2025 (Unaudited)
Audit fee expense	15,663
TA Transaction fee	13,706
Transaction fee	11,696
Shariah service fees	9,534
Directors fee expense	7,264
Setup cost expenses	5,874
Zakat and tax consultant fee	5,221
Publishing fees	4,831
License fee	4,540
Shariah board fee expense	3,814
Other expenses	3,314
Out of pocket expense	2,165
	87,622

11- FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2025 (Unaudited)	Amortized cost	FVPTL
As per interim statement of financial position		
Cash at the bank	7,009,394	-
Financial assets at fair value through profit or loss	-	175,254,928
Dividends receivable	98,156	-
Receivable against securities sold	443,191	-
Total	7,550,741	175,254,928

*All financial liabilities as at 30 June 2025 were classified as financial liabilities carried at amortized cost.

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12- FINANCIAL RISK MANAGEMENT

12.1 Financial risk factors

The objective of the Fund 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.

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

Monitoring and controlling risks 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.

The Fund does not have any foreign exchange risk since all of its transactions are carried out in SAR.

(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 30 June 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%	1,752,549

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12- 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 and 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	7,009,394
Dividends receivable	98,156
Receivable against securities sold	443,191

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 interim 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.

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.

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12- FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

30 June 2025 (Unaudited)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	175,254,928	-	-	175,254,928

13- 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.

14- SUBSEQUENT EVENTS

The Fund's management believes that there are no significant subsequent events after the date of the interim condensed financial statements and before the issuance of these statements require amendment or disclosure.

15- LAST VALUATION DAY

The last valuation day of the period was 30 June 2025

16- 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.