

SAB Invest GCC Companies Equity Income Fund (Managed by SAB Invest)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SAB INVEST GCC COMPANIES EQUITY INCOME FUND (MANAGED BY SAB INVEST)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest GCC Companies Equity Income Fund (the "Fund") managed by SAB Invest (the "Fund Manager") as at 30 June 2025, and the related interim condensed statement of comprehensive income for the six-month period ended 30 June 2025, and the related interim condensed statements of changes in equity attributable to the unitholders and cash flows for the six-month period then ended, and explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as 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 Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 as endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services



Waleed G. Tawfiq
Certified Public Accountant
License No. (437)

Riyadh: 16 Safar 1447H
(10 August 2025)



SAB Invest GCC Companies Equity Income Fund

Interim condensed statement of financial position

As at 30 June 2025

		30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
	Notes		
ASSETS			
Cash and cash equivalents		11,177,584	1,865,938
Financial assets at fair value through profit or loss ("FVTPL")	4	152,885,274	157,610,352
Receivable and advances		6,071,850	5,007,564
TOTAL ASSETS		170,134,708	164,483,854
LIABILITIES			
Management fee payable	5	283,990	295,951
Accrued expenses and other payables		8,774,748	335,792
TOTAL LIABILITIES		9,058,738	631,743
EQUITY			
Net assets attributable to unitholders of redeemable units		161,075,970	163,852,111
Redeemable units in issue		6,972,054	7,298,547
Net asset value attributable to each per unit		23.10	22.45

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest GCC Companies Equity Income Fund

Interim condensed statement of comprehensive income

For the six-month period ended 30 June 2025

		30 June 2025 (Unaudited) SR	30 June 2024 (Unaudited) SR
	<i>Notes</i>		
INCOME			
Net movement in unrealised loss on financial assets at FVTPL	4	(21,749,168)	(4,269,304)
Net realised gain on disposal of financial assets at FVTPL		25,728,209	21,931,218
Dividend income		5,020,414	2,854,750
Net exchange loss		(130,562)	(38,573)
TOTAL INCOME		8,868,893	20,478,091
EXPENSES			
Management fees	5	(1,593,286)	(1,475,220)
Other expenses		(257,180)	(254,454)
TOTAL EXPENSES		(1,850,466)	(1,729,674)
NET INCOME FOR THE PERIOD		7,018,427	18,748,417
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		7,018,427	18,748,417

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest GCC Companies Equity Income Fund

Interim condensed statement of changes in equity attributable to the unitholders

For the six-month period ended 30 June 2025

	30 June 2025 (Unaudited) SR	30 June 2024 (Unaudited) SR
EQUITY AT THE BEGINNING OF THE PERIOD	163,852,111	140,535,890
Net income for the period	7,018,427	18,748,417
Other comprehensive income for the period	-	-
Total comprehensive income for the period	7,018,427	18,748,417
Issue of units during the period	8,407,762	12,659,962
Redemption of units during the period	(15,577,980)	(14,827,398)
Dividend distributed	(2,624,350)	(2,867,464)
Net changes from unit transactions	(9,794,568)	(5,034,900)
EQUITY AT THE END OF THE PERIOD	161,075,970	154,249,407
Transactions in redeemable units during the period are summarised as follows:	<u>Units</u> (Unaudited)	<u>Units</u> (Unaudited)
REDEEMABLE UNIT TRANSACTIONS		
UNITS AT THE BEGINNING OF THE PERIOD	7,298,547	7,574,888
Issue of units during the period	369,692	621,363
Redemption of units during the period	(696,185)	(729,357)
Net changes in units	(326,493)	(107,994)
UNITS AT THE END OF THE PERIOD	6,972,054	7,466,894

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest GCC Companies Equity Income Fund

Interim condensed statement of cash flows

For the six-month period ended 30 June 2025

	30 June 2025 (Unaudited) SR	30 June 2024 (Unaudited) SR
OPERATING ACTIVITIES		
Net income for the period	7,018,427	18,748,417
<i>Adjustments to reconcile net income to net cash flows from operating activities:</i>		
Net movement in unrealised gain on financial assets at FVTPL	21,749,168	4,269,304
Dividend income	(5,020,414)	(2,854,750)
Operating income before changes in working capital	23,747,181	20,162,971
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	(17,024,090)	(3,002,448)
Receivable and advances	(1,064,286)	-
Management fee payable	(11,961)	108,469
Accrued expenses and other payables	5,943,052	14,405
Cash flows generated from operations	11,589,896	17,283,397
Dividends received	5,020,414	2,823,326
Net cash flows generated from operating activities	16,610,310	20,106,723
FINANCING ACTIVITIES		
Proceeds from issuance of units	8,407,762	12,659,962
Payment on redemption of units	(13,082,076)	(14,964,012)
Payment of dividends	(2,624,350)	(2,867,464)
Net cash flows used in financing activities	(7,298,664)	(5,171,514)
INCREASE IN CASH AND CASH EQUIVALENTS	9,311,646	14,935,209
Cash and cash equivalents at the beginning of the period	1,865,938	3,356,911
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	11,177,584	18,292,120

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements

For the period ended 30 June 2025

1. INCORPORATION AND ACTIVITIES

SAB Invest GCC Equity Income Fund (the “Fund”) is an open-ended investment fund created by an agreement between SAB Invest (the “Fund Manager”) and investors (the “Unitholders”) in the Fund. The address of the Fund Manager is as follows:

SAB Invest, Head Office
SAB Tower 7383
King Fahad Branch Rd (Al-Yasmeen District)
Riyadh 13325
Kingdom of Saudi Arabia

Fund Objective: Long term capital appreciation, and income distribution, through investing in Shariah-compliant GCC equities.

The Fund is managed by the Fund Manager who also acts as the administrator of the Fund. Al Bilad Capital is the custodian of the Fund. The Fund distributes income, subject to the approval of the Fund Board, on a semi-annual basis.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Funds Regulations (the “Regulations”), issued by the Board of the Capital Market Authority (CMA) pursuant to Resolution No. 1-219-2006 dated 3 Dhul Hijjah 1427H (corresponding to 24 December 2006G), based on the Capital Market Law issued by Royal Decree No. M/30 dated 2 Jumada Al-Thani 1424H, and as amended by Resolution of the Board of the CMA No. 1-54-2025 dated 23 Dhul-Qi’dah 1446H (corresponding to 21 May 2025G), detailing requirements for investment funds within the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION AND CHANGES TO MATERIAL ACCOUNTING POLICIES

3.1. Statement of compliance

These unaudited interim condensed financial statements for the six-month period ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as endorsed in the kingdom of Saudi Arabia.

3.2 Basis of preparation

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Fund’s annual financial statements as at 31 December 2024. In addition, results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The unaudited interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for financial assets held at FVTPL that are measured at fair value. These unaudited interim condensed financial statements are presented in Saudi Arabian Riyals (“SR”), which is the Fund’s functional currency. All financial information presented has been rounded to the nearest SR.

3.3 New standards and amendments to standards

3.3.1 *New standards and amendments adopted by the Fund*

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the Fund’s annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements

For the period ended 30 June 2025

3. BASIS OF PREPARATION AND CHANGES TO MATERIAL ACCOUNTING POLICIES (continued)

3.3 New standards and amendments to standards (continued)

3.3.1 New standards and amendments adopted by the Fund (continued)

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2025.

Standard, interpretation and amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	Annual periods beginning on or after 1 January 2025

The adoption of the amended standards and interpretations applicable to the Fund did not have any significant impact on these interim condensed financial statements.

3.3.2 Significant standards issued but not yet effective

The following new standards, amendments and revisions to existing standards, which were issued by IASB but not yet effective up to the date of issuance of the Fund's interim condensed financial statements. The Fund intends to adopt these standards when they become effective. The Fund anticipates that the application of these new standards and amendments in the future will not have any significant impact on the amounts reported.

Standard, interpretation and amendments	Description	Effective date
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	Annual periods beginning on or after 1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full.	Effective date deferred indefinitely.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences	Annual periods beginning on or after 1 January 2027

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements

For the period ended 30 June 2025

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The composition of the investment's portfolio on the last valuation day of the period / year end is summarised below:

30 June 2025 (Unaudited)				
	<i>% of Market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain/(loss) net SR</i>
<u>Investments in equities (by sector)</u>				
Banks	24.03%	10,342,537	11,611,772	1,269,235
Capital Goods	17.02%	7,545,090	8,225,028	679,938
Telecommunication Services	14.56%	7,136,267	7,036,123	(100,144)
Real Estate Management & Development	14.30%	5,814,205	6,912,517	1,098,312
Energy	11.59%	5,550,054	5,603,056	53,002
Consumer Staples Distribution & Retail	9.47%	4,549,233	4,575,763	26,530
Materials	4.54%	2,378,717	2,194,928	(183,789)
Insurance	4.49%	1,215,399	2,171,784	956,385
Total	100.00%	44,531,502	48,330,971	3,799,469

The above equity investments are listed on the Saudi Stock Exchange ("Tadawul"). The Fund Manager seeks to limit risk for the Fund by monitoring exposures in each investment sector and individual securities.

	<i>Cost SR</i>	<i>Market Value SR</i>	<i>Unrealised gain/(loss) SR</i>
<u>Investments (by country)</u>			
Kingdom of Saudi Arabia	44,531,502	48,330,971	3,799,469
United Arab Emirates	33,447,606	43,184,528	9,736,922
State of Kuwait	34,531,571	37,619,492	3,087,921
State of Qatar	22,295,849	23,219,895	924,046
Bahrain	569,268	530,388	(38,880)
Total	135,375,796	152,885,274	17,509,478

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements

For the period ended 30 June 2025

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) (continued)

	<i>31 December 2024 (Audited)</i>			
	<i>% of Market Value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain (loss) SR</i>
<i>Investments in equities (by sector)</i>				
Capital Goods	23.42%	9,890,231	20,592,785	10,702,554
Banks	20.26%	16,087,734	17,818,284	1,730,550
Real Estate Management & Development	14.68%	9,741,802	12,909,594	3,167,792
Insurance	12.69%	5,910,143	11,161,289	5,251,146
Software & Services	11.03%	2,716,524	9,698,270	6,981,746
Food & Beverages	7.49%	5,964,548	6,580,383	615,835
Consumer Discretionary Distribution & Retail	5.27%	3,975,774	4,638,355	662,581
Transportation	5.16%	4,654,586	4,540,159	(114,427)
Total	100.00%	58,941,342	87,939,119	28,997,777

The above equity investments are listed on the Saudi Stock Exchange ("Tadawul"). The Fund Manager seeks to limit risk for the Fund by monitoring exposures in each investment sector and individual securities.

	<i>Cost SR</i>	<i>Market Value SR</i>	<i>Unrealised gain SR</i>
<i>Investments (by country) 31 December 2024</i>			
Kingdom of Saudi Arabia	58,941,342	87,939,119	28,997,777
United Arab Emirates	35,704,374	46,789,736	11,085,362
State of Kuwait	15,060,296	14,439,282	(621,014)
State of Qatar	7,104,588	6,879,498	(225,090)
Bahrain	1,541,106	1,562,717	21,611
Total	118,351,706	157,610,352	39,258,646

The movements of financial assets at fair value through profit and loss during the period, are as follow:

	<i>30 June 2025 (Unaudited) SAR</i>	<i>31 December 2024 (Audited) SAR</i>
Market value as at period / year end	152,885,274	157,610,352
Cost as at period / year end	(135,375,796)	(118,351,706)
Unrealized gain as at end of the period / year	17,509,478	39,258,646
Unrealized gain as at start of the period / year	39,258,646	37,420,899
Unrealized (loss) / gain for the period / year	(21,749,168)	1,837,747

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements

For the period ended 30 June 2025

5. TRANSACTIONS WITH RELATED PARTIES

Related 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 of the Fund comprise SAB Invest (being the Fund Manager and administrator of the Fund), the Fund Board.

In the ordinary course of its activities, the Fund transacts business with Fund Manager and related parties. Related party transactions are governed by limits set by the regulations issued by CMA. All the related party transactions are undertaken at mutually agreed prices and approved by the Fund Manager. These transactions were carried out on the basis of approved Terms and Conditions of the Fund.

During the period / year, the Fund entered into the following transactions with related parties in the ordinary course of business:

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>		<i>Balance</i>	
		<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
SAB Invest (Fund Manager)	Fund management fee (including VAT)	1,593,286	1,475,220	283,990	295,951
	Administration fee	84,350	78,100	32,220	17,988
Board Members	Board member fee	6,868	8,289	24,167	17,299

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.70% per annum, and administrator fee up to 0.15% calculated on the net asset value at each valuation date.

The units in issue at 30 June 2025 include 18,818 units held by the employees of the Fund Manager (31 December 2024: 13,874 units).

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund has only investments at fair value through profit or loss which is measured at fair values and are classified within level 1 of the fair value hierarchy. All other financial assets and liabilities are classified as amortized cost and management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements

For the period ended 30 June 2025

7. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

<i>As at 30 June 2025 (Unaudited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>No Fixed Maturity SR</i>	<i>Total SR</i>
ASSETS				
Cash and cash equivalent	-	-	11,177,584	11,177,584
Financial assets at FVTPL	-	-	152,885,274	152,885,274
Receivables and advances	6,071,850	-	-	6,071,850
TOTAL ASSETS	6,071,850	-	164,062,858	170,134,708
LIABILITY				
Management fee payable	283,990	-	-	283,990
Accrued expenses and other payables	8,774,748	-	-	8,774,748
TOTAL LIABILITY	9,058,738	-	-	9,058,738
 <i>As at 31 December 2024 (Audited)</i>	 <i>Within 12 months SR</i>	 <i>After 12 months SR</i>	 <i>No Fixed Maturity SR</i>	 <i>Total SR</i>
ASSETS				
Cash and cash equivalents	-	-	1,865,938	1,865,938
Financial assets at FVTPL	-	-	157,610,352	157,610,352
Receivables and advances	5,007,564	-	-	5,007,564
TOTAL ASSETS	5,007,564	-	159,476,290	164,483,854
LIABILITY				
Management fee payable	295,951	-	-	295,951
Accrued expenses and other payables	335,792	-	-	335,792
TOTAL LIABILITY	631,743	-	-	631,743

8. LAST VALUATION DAY

The last valuation day of the period was 30 June 2025 (2024: 31 December 2024).

9. EVENTS AFTER THE REPORTING DATE

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

10. APPROVAL OF THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements were approved by the Fund's management on 16 Safar 1447H (corresponding to 10 August 2025).