

**SAB Invest Sukuk and Murabaha 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



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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SAB INVEST SUKUK AND MURABAHA FUND (MANAGED BY SAB INVEST)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Sukuk and Murabaha 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 Sukuk and Murabaha Fund

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
	<i>Notes</i>		
ASSETS			
Cash and cash equivalent	4	538,871	239,604
Financial assets at fair value through profit or loss (FVTPL)	7	13,276,395	10,467,815
Financial assets measured at amortised cost – Sukuk	5	28,239,603	28,055,437
Financial assets measured at amortised cost – Murabaha	6	16,855,020	18,093,297
Other receivables		2,926	2,500
		<hr/>	<hr/>
TOTAL ASSETS		58,912,815	56,858,653
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
Management fee payable		34,133	33,949
Payable against purchased securities		142,068	-
Accrued expenses and other liabilities		146,489	127,768
		<hr/>	<hr/>
TOTAL LIABILITIES		322,690	161,717
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Net assets attributable to the unitholders		58,590,125	56,696,936
		<hr/> <hr/>	<hr/> <hr/>
Redeemable units in issue		4,213,625	4,169,085
		<hr/> <hr/>	<hr/> <hr/>
Net assets attributable to each unit		13.90	13.60
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six-months period ended 30 June 2025

		30 June 2025 (Unaudited) SR	30 June 2024 (Unaudited) SR
	<i>Note</i>		
INCOME			
Net realised gain on disposal of financial assets at FVTPL		8,257	41,279
Net movement in unrealised gain on financial assets at FVTPL		162,813	-
Special commission income from financial assets held at amortised cost – Sukuk		930,686	1,268,217
Special commission income from financial assets held at amortised cost – Murabaha		463,034	756,422
Other income		16	125
TOTAL INCOME		1,564,806	2,066,043
EXPENSES			
Management fees	8	(165,132)	(176,632)
Other expenses		(110,643)	(96,518)
Provision for impairment		(4,078)	(6,066)
TOTAL EXPENSES		(279,853)	(279,216)
NET INCOME FOR THE PERIOD		1,284,953	1,786,827
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,284,953	1,786,827

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS

For the six-months period ended 30 June 2025

	30 June 2025 (Unaudited) SR	30 June 2024 (Unaudited) SR
NET ASSETS AT THE BEGINNING OF THE PERIOD	56,696,936	97,777,135
Net income for the period	1,284,953	1,786,827
Other comprehensive income for the period	-	-
Total comprehensive income for the period	1,284,953	1,786,827
Issuance of units	2,106,057	45,000
Redemption of units	(1,497,821)	(41,382,818)
Net changes from unit transactions	608,236	(41,337,818)
NET ASSETS AT THE END OF THE PERIOD	58,590,125	58,226,144

REDEEMABLE UNIT TRANSACTIONS

Transactions in units for the period ended 30 June are summarised as follows:

	<i>Units</i>	<i>Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	4,169,085	7,571,371
Issuance of units	153,227	3,403
Redemption of units	(108,687)	(3,193,950)
Net decrease in unit transactions	44,540	(3,190,547)
UNITS AT THE END OF THE PERIOD	4,213,625	4,380,824

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CASHFLOWS

For the six-months period ended 30 June 2025

	Note	30 June 2025 (Unaudited) SR	30 June 2024 (Unaudited) SR
OPERATING ACTIVITIES			
Net income for the period		1,284,953	1,786,827
<i>Adjustments for:</i>			
Unrealised gain on financial assets at FVTPL		(162,813)	(125)
<i>Working capital adjustments:</i>			
Financial assets at fair value through profit or loss (FVTPL)		(2,645,767)	125
Financial assets measured at amortised cost – Murabaha		-	15,233,568
Financial assets measured at amortised cost – Sukuk		(184,166)	2,832,159
Other receivables		(426)	12,161,227
Accrued expenses and other liabilities		18,721	523,648
Management fee payable		184	-
Payable against securities purchased		142,068	-
Net cash generated from operating activities		(1,547,246)	32,537,429
FINANCING ACTIVITIES			
Proceeds from issuance of units		2,106,057	45,000
Redemption of units		(1,497,821)	(41,382,818)
Net cash generated from / (used in) financing activities		608,236	(41,337,818)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(939,010)	(8,800,389)
Cash and cash equivalents at beginning of the period	4	18,332,901	31,093,174
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	17,393,891	22,292,785

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

1 INCORPORATION AND PRINCIPAL ACTIVITIES

SAB Invest Sukuk and Murabaha Fund (the “Fund”) is an open-ended fund domiciled in Kingdom of Saudi Arabia, created by an agreement between SAB Invest (the “Fund Manager”), a subsidiary of The Saudi Al-Awal Bank (the “Bank”) and investors in the Fund (the “Unitholders”). 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

The objective of the fund is to achieve capital preservation and appreciation through investing in Murabaha deposits.

The Fund Manager is responsible for the overall management of the Fund’s activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

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 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 under the historical cost convention, using the accrual basis of accounting except for financial assets held at FVTPL that are measured at fair value. These interim condensed financial statements are presented in Saudi Arabian Riyals (SAR) which is the Fund’s functional and presentation currency. All financial presented has been rounded to the nearest SR.

3.3. New standards, interpretations and amendments

3.3.1 New standards and amendments adopted by the Fund

The accounting policies adopted in the preparation of interim condensed financial statements are consistent with those followed in the Fund’s annual financial statements of the Fund 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 amendments that has been issued but not yet effective.

Notes to the unaudited interim condensed financial statements
For the six-month period ended 30 June 2025

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

3.3. New standards, interpretations and amendments *(continued)*

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

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

Standard, interpretation and amendments	Description	Effective date
Amendment to IFRS 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

Standard, interpretation and amendments	Description	Effective date
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	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. IASB amended to the requirements related to: setting financial liabilities using an electronic payment system; assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)-linked features.	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 recognized 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

Notes to the unaudited interim condensed financial statements
For the six-month period ended 30 June 2025

4 CASH AND CASH EQUIVALENT

	<i>Notes</i>	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Bank balances		538,871	239,604
Money market placement with maturity less than 90 days	4.1	16,855,020	18,093,297
		17,393,891	18,332,901

4.1. Short-term deposits represent money market placements at prevailing special commission rates, with local banks, having original maturities of less than three months.

5 FINANCIAL ASSETS MEASURED AT AMORTIZED COST - SUKUK

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Debt Securities – Sukuks	27,963,779	27,757,280
Accrued special commission income	284,507	302,457
Expected credit loss	(8,683)	(4,301)
	28,239,603	28,055,436

The average special commission rate on investments as at the end of June 2025 is 5.85% p.a. (31 December 2024: 5.35% p.a.). The above debt securities are redeemable at par.

The movement in the allowance for expected credit losses for debt securities (sukuk) is summarized as follows:

	30 June 2025 (Unaudited) SR	30 June 2024 (Unaudited) SR
Balance at beginning of the period	4,300	-
Charge for the period	4,383	5,332
Balance at the end of the period	8,683	5,332

The methodology and assumptions applied by the Fund in estimating the ECL on sukuk placements is based on using the Moody's rating scales which are then adjusted for country specific data based on where the sukuk's underlying assets / projects are, forward looking estimates and macroeconomic variables such as expected GDP growth, to determine the ECL as at the end of the reporting period.

Notes to the unaudited interim condensed financial statements

For the six-month period ended 30 June 2025

6 FINANCIAL ASSETS MEASURED AT AMORTISED COST – MURABAHA

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Murabaha placements with original maturity of less than 90 days	16,600,000	18,000,000
Murabaha placements – maturing between 90 and 360 days	-	-
	16,600,000	18,000,000
Accrued special commission income	255,396	93,978
Allowance for expected credit losses	(376)	(681)
	16,855,020	18,093,297

The movement in the allowance for expected credit losses for Murabaha placements is summarized as follows:

	30 June 2025 (Unaudited) SR	30 June 2024 (Unaudited) SR
Balance at beginning of the period	681	-
Charge for the period	(305)	734
Balance at the end of the period	376	734

The methodology and assumptions applied by the Fund in estimating the ECL on the Murabaha placements are based on using the Moody's rating scales which are then adjusted for country specific data based on where the Murabaha placements are, forward looking estimates and macroeconomic variables such as expected GDP growth, to determine the ECL as at the end of the reporting period.

Financial assets measured at amortised cost are composed of the following:

<u>30 June 2025 (Unaudited)</u>	% of Value	Cost SR
Remaining maturity		
Up to 1 month	100%	16,600,000
	100%	16,600,000
<u>31 December 2024 (Audited)</u>		
Remaining maturity		
Up to 1 month	56%	10,000,000
1-3 months	44%	8,000,000
	100%	18,000,000

Notes to the unaudited interim condensed financial statements

For the six-month period ended 30 June 2025

7 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 (loss) SR</i>
<i>Investments in mutual funds</i>				
SAB Invest Sukuk Fund*	100%	13,345,297	13,276,395	(68,902)
	100.0%	13,345,297	13,276,395	(68,902)
31 December 2024 (Audited)				
	<i>% of Market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised (loss) SR</i>
Investments in mutual funds				
SAB Invest Sukuk Fund*	100%	10,699,530	10,467,815	(231,715)
Total	100.0%	10,699,530	10,467,815	(231,715)

* This Fund is also managed by SAB Invest (The Fund Manager). Hence, it is considered as related party balance.

Investments in the Fund is unrated. The Fund also does not have an internal grading mechanism. However, the Fund Manager seeks to limit its risk by monitoring each investment exposure and setting limits for individual investment.

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

	30 June 2025 (Unaudited) SAR	31 December 2024 (Audited) SAR
Market value as at period / year end	13,276,395	10,467,815
Cost as at period / year end	(13,345,297)	(10,699,530)
Unrealized (loss) as at end of the period / year	(68,902)	(231,715)
Unrealized (loss) as at start of the period / year	(231,715)	-
Unrealized gain / (loss) for the period / year	162,813	(231,715)

Notes to the unaudited interim condensed financial statements

For the six-month period ended 30 June 2025

8 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, other mutual funds managed by the Fund Manager.

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 transaction 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 transaction with related parties in the ordinary course of business:

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amount of transaction</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 management fee				
	(including VAT)	165,132	176,632	34,133	33,949
	Admin fee	9,929	5,259	3,381	1,797
Fund Board	Board member fees	6,868	7,118	20,718	13,850

The Fund pays the Fund Manager a management fee calculated at an annual rate of 0.5% per annum calculated on the net asset value at each valuation date.

The units in issue at 30 June 2025 include 14,002.54 units held by employees of the Fund Manager (31 December 2024: 7,072.88 units)

Units held by related parties:

Related party and nature of relationship	Nature of transactions	30 June 2025	31 December 2024
		(Unaudited)	(Audited)
		Units	Units
SAB Invest (Fund Manager)	Units held	1,477,287	1,477,287

Notes to the unaudited interim condensed financial statements
For the six-month period ended 30 June 2025

9 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>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	-	-	538,871	538,871
Financial assets at fair value through profit or loss (FVTPL)	-	-	13,276,395	13,276,395
Financial assets measured at amortised cost – Murabaha	16,855,020	-	-	16,855,020
Financial assets measured at amortised cost – Sukuk	-	28,239,603	-	28,239,603
Other receivables	2,926	-	-	2,926
TOTAL ASSETS	16,857,946	28,239,603	13,815,266	58,912,815
LIABILITIES				
Accrued expenses and other liabilities	146,489	-	-	146,489
Payable against securities purchased	142,068	-	-	142,068
Management fee payable	34,133	-	-	34,133
TOTAL LIABILITIES	322,690	-	-	322,690

<i>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 equivalent	-	-	239,604	239,604
Financial assets at fair value through profit or loss (FVTPL)	-	-	10,467,815	10,467,815
Financial assets measured at amortised cost – Murabaha	18,093,297	-	-	18,093,297
Financial assets measured at amortised cost – Sukuk	-	28,055,437	-	28,055,437
Other receivables	2,500	-	-	2,500
TOTAL ASSETS	18,095,797	28,055,437	10,707,419	56,858,653
LIABILITIES				
Accrued expenses and other liabilities	127,768	-	-	127,768
Management fee payable	33,949	-	-	33,949
TOTAL LIABILITIES	161,717	-	-	161,717

10 EVENTS AFTER THE REPORTING DATE

In the opinion of management, no events have occurred after the reporting date and before the issuance of these interim condensed financial statements which requires adjustment to, or disclosure, these interim condensed financial statements.

11 LAST VALUATION DAY

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

12 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

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