

**SEDCO CAPITAL IPO FUND**

(Managed by SEDCO Capital)

**UNAUDITED INTERIM CONDENSED FINANCIAL INFORMATION  
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

# **SEDCO CAPITAL IPO FUND**

(Managed by SEDCO Capital)

## **INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**

---

For the six months period ended 30 June 2025

<b>INDEX</b>	<b>PAGE</b>
Review report	1
Interim condensed statement of financial position	2
Interim condensed statement of income and comprehensive income – unaudited	3
Interim condensed statement of changes in net assets attributable to Unitholders – unaudited	4
Interim condensed statement of cash flows – unaudited	5
Notes to the interim condensed financial information – unaudited	6 – 12



Ernst & Young Professional Services (Professional LLC)  
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)  
King's Road Tower, 13<sup>th</sup> Floor  
King Abdul Aziz Road (Malek Road)  
P.O. Box 1994  
Jeddah 21441  
Kingdom of Saudi Arabia  
Head Office – Riyadh

C.R. No. 4030276644

Tel: +966 12 221 8400

Fax: +966 12 664 4408

[ey.ksa@sa.ey.com](mailto:ey.ksa@sa.ey.com)

[ey.com](http://ey.com)

## Independent Auditor's Review Report on the Interim Condensed Financial Information To the Unitholders of SEDCO Capital IPO Fund

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of SEDCO Capital IPO Fund (the "Fund") managed by SEDCO Capital ("Fund Manager") as at 30 June 2025 and the related interim condensed statements of income and comprehensive income, changes in net assets attributable to the Unitholders and cash flows for the six months period then ended, and explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial information 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 information 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" that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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 information are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services

Ahmed Ibrahim Reda  
Certified Public Accountant  
License No. (356)

Jeddah: 17 Safar 1447H  
(11 August 2025G)



# SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		<b>30 June 2025</b>	<b>31 December 2024</b>
	<i>Notes</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
		¥	¥
<b>ASSETS</b>			
Financial assets measured at fair value through income statement (FVTIS)	3	<b>25,944,564</b>	20,223,335
Dividend receivable		<b>71,484</b>	-
Advance against investments	4	<b>760,000</b>	9,063,360
Cash and cash equivalents	5	<b>12,823,497</b>	9,873,645
<b>TOTAL ASSETS</b>		<b>39,599,545</b>	39,160,340
<b>LIABILITIES</b>			
Due to a related party	6	<b>193,173</b>	173,050
Accrued expenses and other payables		<b>214,549</b>	138,906
<b>TOTAL LIABILITIES</b>		<b>407,722</b>	311,956
<b>NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS</b>		<b>39,191,823</b>	38,848,384
<b>UNITS IN ISSUE</b>		<b>4,287,231.7448</b>	3,624,182.2249
<b>Net assets value per unit (¥)</b>		<b>9.1415</b>	10.7192

The attached notes from 1 to 11 form an integral part of these interim condensed financial information.

# SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

## INTERIM CONDENSED STATEMENT OF INCOME AND COMPREHENSIVE INCOME (UNAUDITED)

For the six months period ended 30 June 2025

		<i>For the six months period ended 30 June 2025 (Unaudited) RM</i>
	<i>Notes</i>	
<b>INCOME / (LOSS)</b>		
Net unrealised loss on revaluation of financial assets measured at FVTIS		(7,133,298)
Net realised gain on financial assets measured at FVTIS		1,793,693
Dividend income	3	274,380
Murabaha income	5 (a)	12,760
<b>NET LOSS</b>		<b>(5,052,465)</b>
<b>EXPENSES</b>		
Management and shariah advisory fees	6	(329,757)
Custody and operator fees		(12,828)
Operating and other expenses		(118,562)
<b>TOTAL EXPENSES</b>		<b>(461,147)</b>
<b>NET LOSS FOR THE PERIOD</b>		<b>(5,513,612)</b>
Other comprehensive income		-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(5,513,612)</b>

The attached notes from 1 to 11 form an integral part of these interim condensed financial information.

# SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

## INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

For the six months period ended 30 June 2025

	<i>For the six months period ended 30 June 2025 (Unaudited) ¥</i>
Net assets attributable to the unitholders at the beginning of the period	38,848,384
<b>Issuance and redemptions by the unitholders</b>	
Proceeds from issuance of units	13,216,455
Payment on redemption of units	(7,359,404)
	<hr/>
Net changes from unit transactions	5,857,051
Total comprehensive loss for the period	(5,513,612)
	<hr/>
Net assets attributable to the unitholders at the end of the period	39,191,823
	<hr/>
	<u><i>Units</i></u>
<b>Redeemable unit transactions (numbers)</b>	
<b>Units at the beginning of the period</b>	3,624,182.2249
Issuance of units during the period	1,383,059.5752
Redemptions of units during the period	(720,010.0553)
	<hr/>
Net increase in units	663,049.5199
	<hr/>
<b>Units in issue as at the end of the period</b>	4,287,231.7448
	<hr/>

The attached notes from 1 to 11 form an integral part of these interim condensed financial information.

# SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

## INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 30 June 2025

	Notes	For the six months period ended 30 June 2025 (Unaudited) ¥
<b>OPERATING ACTIVITIES</b>		
Net loss for the period		(5,513,612)
<i>Adjustments to reconcile net loss to net cash from operating activities:</i>		
Net unrealised loss on revaluation of financial assets measured at FVTIS	3	7,133,298
		<u>1,619,686</u>
<b>Net changes in operating assets and liabilities:</b>		
Net movement in financial assets measured at FVTIS		(12,854,527)
Dividend receivable		(71,484)
Advance against investment		8,303,360
Due to a related party		20,123
Accrued expenses and other payables		75,643
		<u>(2,907,199)</u>
<b>Net cash used in operating activities</b>		
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of units		13,216,455
Payments on redemption of units		(7,359,404)
		<u>5,857,051</u>
<b>Net cash from financing activities</b>		
<b>Net change in cash and cash equivalents</b>		<u>2,949,852</u>
Cash and cash equivalents at the beginning of the period		<u>9,873,645</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>12,823,497</u></u>

The attached notes from 1 to 11 form an integral part of these interim condensed financial information.

# SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

At 30 June 2025

### 1 THE FUND AND ITS ACTIVITIES

SEDCO Capital IPO Fund (the “Fund”) is an open-ended public Shariah compliant investment fund established in the Kingdom of Saudi Arabia under the Investment Funds Regulations issued by the Capital Market Authority (the “CMA”), and managed by Saudi Economic and Development Securities Company (“SEDCO Capital” or the “Fund Manager”). The address of the Fund Manager is:

P.O. Box 13396,  
King Abdulaziz (Malik) Road,  
Jeddah 21493, Kingdom of Saudi Arabia.

The establishment of the Fund has been approved by the CMA on 25 June 2024 (corresponding to 18 Dhu Al-Hijjah 1445H) and the Fund commenced its operations on 26 August 2024. The Shariah Advisor has reviewed the Fund offering document and confirmed compliance with the prescribed Shariah guidelines.

The Fund aims to achieve capital growth in the medium to long term by investing in Initial Public Offerings (IPOs) and the Right Issues of companies listed on the Saudi Exchange, including the Main Market and the Parallel Market, which comply with the Shariah Guidelines and Controls that are approved by the Funds Shariah Supervisory Committee. The Fund may also invest in Initial Public Offerings (IPOs) of Real Estate Investment Traded Funds (REITs), Money Market Transactions and Sukuk that comply with the Shariah Guidelines and Controls.

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.

### 2 BASIS OF PREPERATION

#### a) *Statement of compliance*

These interim condensed financial information as at and for the six months period ended 30 June 2025 are prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) that is endorsed in the Kingdom of Saudi Arabia. The interim condensed financial information 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 and for the period ended from 26 August 2024 to 31 December 2024.

As the Fund started operations on 26 August 2024, there is no comparative information in the interim condensed statements of income and comprehensive income, changes in net assets attributable to the Unitholders and cash flows for the six months period ended 30 June 2025. The Fund has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern.

#### b) *Basis of measurement*

These interim condensed financial information have been prepared under the historical cost convention using the accrual basis of accounting, except for measurement of financial assets which are measured at fair value through income statement (FVTIS).

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the interim condensed statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

#### c) *Functional and presentation currency*

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

#### d) *Significant judgements, estimates and assumptions*

The accounting judgements, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the Fund’s financial statements for the period ended 31 December 2024.



# SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

### 2 BASIS OF PREPERATION (continued)

#### e) *Material accounting policies*

The material accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Fund's financial statements for the period ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025 as disclosed in note 2 (f) below.

#### f) *New standards, interpretations and amendments adopted by the Fund*

The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed financial information of the Fund.

Standard/ interpretation	Description	Effective from periods beginning on or after
Lack of exchangeability - Amendments to IAS 21	The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.	1 January 2025

#### g) *Standards issued but not yet effective*

The International Accounting Standards Board (IASB) has issued the following standards and amendments which will become effective on or after 1 January 2026. The Fund has opted not to early adopt these pronouncements and they do not have a significant impact on the interim condensed financial information of the Fund.

Standard/ interpretation	Description	Effective from periods beginning on or after
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.	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	This standard sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure the entity provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses	January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

# SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

### 3 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT (FVTIS)

The composition of the financial assets measured at fair value through income statement on the last valuation day at the end of the period is summarised below:

	<i>30 June 2025 (Unaudited)</i>			
	<i>% of Market Value</i>	<i>Cost ﷲ</i>	<i>Market value ﷲ</i>	<i>Unrealised gain (loss) ﷲ</i>
<u><i>Investments in local quoted equities (by industry)</i></u>				
Food & Beverages	12.6%	4,967,953	3,277,989	(1,689,964)
Commercial & Professional Services	12.2%	3,649,008	3,157,355	(491,653)
Materials	10.1%	3,429,611	2,628,636	(800,975)
Real Estate Management and Development	9.1%	1,705,008	2,370,107	665,099
Capital Goods	8.7%	2,856,800	2,252,080	(604,720)
Consumer Services	8.2%	2,345,965	2,121,356	(224,609)
Transportation	8.0%	2,015,680	2,071,111	55,431
Consumer Durables & Apparel	7.0%	1,823,917	1,805,405	(18,512)
Health Care Equipment & Services	5.3%	1,486,637	1,387,525	(99,112)
Household & Personal Products	4.7%	1,575,580	1,215,692	(359,888)
Software & Services	3.9%	1,701,938	1,022,841	(679,097)
Financial Services	3.7%	1,179,132	971,822	(207,310)
Consumer Discretionary Distribution & Retail	3.4%	941,325	888,611	(52,714)
Media and Entertainment	3.1%	931,596	774,034	(157,562)
<b>Total</b>	<b>100%</b>	<b>30,610,150</b>	<b>25,944,564</b>	<b>(4,665,586)</b>
	<i>31 December 2024 (Audited)</i>			
	<i>% of Market Value</i>	<i>Cost ﷲ</i>	<i>Market value ﷲ</i>	<i>Unrealised gain (loss) ﷲ</i>
<u><i>Investments in local quoted equities (by industry)</i></u>				
Commercial & Professional Services	23.3%	4,670,913	4,710,047	39,134
Food & Beverages	21.0%	3,472,351	4,237,481	765,130
Materials	18.2%	3,807,972	3,687,084	(120,888)
Consumer Durables & Apparel	10.7%	2,210,682	2,170,153	(40,529)
Software & Services	10.6%	813,136	2,134,482	1,321,346
Financial Services	6.8%	1,012,704	1,380,960	368,256
Media and Entertainment	5.2%	1,141,679	1,052,717	(88,962)
Consumer Services	1.6%	261,440	316,588	55,148
Household & Personal Products	1.4%	183,864	285,576	101,712
Real Estate Management and Development	0.8%	111,822	163,073	51,251
Health Care Equipment & Services	0.4%	69,060	85,174	16,114
<b>Total</b>	<b>100%</b>	<b>17,755,623</b>	<b>20,223,335</b>	<b>2,467,712</b>

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.

During the period, the Fund realized net gain of ﷲ 1,793,693 from sale of equity investments. Moreover, during the period, the Fund recognized dividend income from its investments in equity instruments amounting to ﷲ 274,380.

# SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

### 4 ADVANCE AGAINST INVESTMENTS

During the period, the Fund subscribed to shares of companies undergoing initial public offerings. Subsequent to period end and upon completion of the subscription period, the shares were allocated to the Fund and the investment amount of 0.68 million ₭ (2024: 5.12 million ₭) was recognized as financial assets measured at fair value through income statement and the remaining of 0.08 million ₭ (2024: 3.94 million ₭) was refunded to the Fund.

### 5 CASH AND CASH EQUIVALENTS

	<b>30 June 2025 (Unaudited) ₭</b>	<b>31 December 2024 (Audited) ₭</b>
Bank balances	<b>12,823,497</b>	372,397
Murabaha deposits with original maturities of less than three months	-	9,501,248
	<b>12,823,497</b>	<b>9,873,645</b>

- a) During the period, the Fund earned Murabaha income amounting to ₭12,760 at the rate of return ranging from 4.65% to 4.80%.

### 6 RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions comprise of transactions with the Fund Manager and other affiliates of the Fund Manager in the ordinary course of business. These transactions were carried out on the basis of approved term and conditions of the Fund.

Following are the details of related party transactions and amounts, excluding value added tax, during the period:

<b>Related party</b>	<b>Nature of transaction</b>	<b>For the six months period ended 30 June 2025 (Unaudited) ₭</b>
SEDCO Capital (Fund Manager)	Management fees	<b>320,688</b>
	Shariah advisory fees	<b>9,069</b>
Fund Board	Board remuneration	<b>9,916</b>

The balance due to a related party comprise of the following:

	<b>30 June 2025 (Unaudited) ₭</b>	<b>31 December 2024 (Audited) ₭</b>
SEDCO Capital (Fund Manager)	<b>193,173</b>	<b>173,050</b>

The balance due to the Fund Board amounted to ₭ 9,916 which is presented under accrued expenses and other payables.

# SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

### 7 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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 takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability.

The Fund's financial assets consist of cash and cash equivalents, financial assets measured at FVTIS, dividends receivable and advance against investment. Its financial liabilities consist of due related parties and accrued expenses and other payables. All financial assets and financial liabilities as at 30 June 2025 were classified under amortised cost category except for financial assets measured at FVTIS which are classified as and measured at fair value under level 1 fair value hierarchy.

#### *Fair values of financial instruments*

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The estimated fair values of the Fund's financial assets and liabilities not measured at fair value is not considered to be significantly different from their carrying amounts, as they are having short term maturities. The fair value of financial assets measured at FVTIS is based on quoted market prices and therefore classified within level 1 of the fair value hierarchy as at 30 June 2025.

### 8 FINANCIAL RISK MANAGEMENT

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 Manager is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Manager. The Fund has its terms and conditions 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.

#### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commission rate risk, currency risk and other price risk.

#### *Commission rate risk*

Commission rate risks is the risk that the fair value or future cash flows of a financial instrument would fluctuate as a result of changes in commission rate. The Fund manages the commission rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments. However, at period end, the Fund does not carry any interest-bearing financial instruments, hence, the Fund is not exposed to any significant commission rate risk.

# SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)

At 30 June 2025

### 8 FINANCIAL RISK MANAGEMENT (continued)

#### *Currency risk*

Currency risk arises from the possibility that changes in foreign exchange rates will affect the value of the financial assets and liabilities denominated in foreign currencies, in case the Fund does not hedge its currency exposure by means of hedging instruments. As the Fund did not undertake significant transactions in currencies other than Saudi Riyals, hence, the Fund is not exposed to any significant currency risk.

#### *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

The price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund closely monitors the price movement of its investments in financial instruments. As of the statement of financial position date, Fund has investments in listed equity securities that are subject to price risk.

The effect on the net assets of the Fund due to a reasonably possible change in fair value of the financial assets, with all other variables held constant is as follows:

	Potential change %	reasonable	Effect on NAV	
			30 June 2025 (Unaudited) ±	31 December 2024 (Audited) ±
Financial asset at FVTIS	± 10%		± 2,594,456	± 2,022,334

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund's principal financial assets subject to credit risk are its cash and cash equivalents, financial assets measured at FVTIS, dividend receivable and advance against investment.

It is Fund 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.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. In accordance with the Fund's policy, the Fund Manager monitors the Fund's credit position on a daily basis. The Custodian of the Fund is Saudi Fransi Capital. The portfolio securities where applicable may be held by one or more internationally recognised securities custodians appointed by the Fund Manager.

#### **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 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 due to a related party and other 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 the Fund Manager.

# **SEDCO CAPITAL IPO FUND**

(Managed by SEDCO Capital)

## **NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)** **(continued)**

At 30 June 2025

### **8 FINANCIAL RISK MANAGEMENT (continued)**

#### **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 providers 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.

### **9 COMPARATIVE INFORMATION**

Certain prior period figures have been reclassified to conform to current period presentation, which are not material in nature to the overall interim condensed financial statements.

### **10 LAST VALUATION DAY**

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

### **11 APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION**

These financial information have been approved by the Fund Board on 6 August 2025G, (corresponding to 12 Safar 1447H).