
SEDCO Capital IPO Fund

Annual Report 2024

December 2024



| Subject | Page Number |
|---|-------------|
| A) Fund Information | |
| 1) Fund Name | 03 |
| 2) Fund investment objectives, policies and Practices | 03 |
| 3) Income and dividend distribution Policy | 03 |
| 4) Description of the Fund's Benchmark | 03 |
| 5) The Fund Manager will make the Fund's reports available upon request free of Charge | 03 |
| B) Fund Performance | |
| 1) Financial Results | 04 |
| 2) Performance Record | 04 |
| 3) Commissions and fees incurred by the Fund throughout the Year | 05 |
| 4) Any Material Changes that occurred During the Period that affected the Fund's Performance | 05 |
| 5) Disclosure of Annual Voting Practices | 05 |
| C) Report of the Fund's Board of Directors | |
| 1) Details of the Fund's Board Members | 06 |
| 2) Qualifications of the Board of Directors | 06 |
| 3) Other funds managed by board Members | 07 |
| 4) Details of the remuneration of the Fund's board members and conflict of interest Statement | 07 |
| 5) Items discussed and Resolutions issued in relation thereto, including the Fund's performance and Achievement of the Fund's Objectives | 08 |
| 6) Topics discussed and resolutions issued, including the performance of the Fund and the achievement of the Fund's Objectives | 08 |
| D) Fund Manager | |
| 1) Details of the Fund Manager | 09 |
| 2) Name and address of the sub-investment manager and/or investment Advisor | 09 |
| 3) Review of investment activities during the Period | 09 |
| 4) Fund's performance during the Period | 09 |
| 5) Details of any Changes to the Fund's Terms and Conditions During the Period | 10 |
| 6) Any other information which can enable the Unitholder to make a well-founded decision based on sufficient information on the Fund's activities during the Period | 10 |
| 7) The Fund's investments in other investment Funds | 10 |
| 8) A statement about the special commissions earned by the Fund Manager during the Period | 10 |
| 9) Any statements and other information required by Regulations to be included in this Report | 10 |
| 10) Management Term of the Person who is Registered as Fund Manager | 10 |
| 11) The Ratio of Expenses of each fund as at the end of the year, and the Weighted Average of the Ratio of expenses of all Main Underlying Funds | 10 |
| E) Custodian | |
| 1) Name of and Address of the Custodian | 11 |
| 2) Brief Description of the Custodian's Obligations and Responsibilities | 11 |
| F) Fund Operator & Auditor | |
| 1) Name of and Address of the Custodian and Auditor | 12 |
| 2) Brief Description of the Obligations and Responsibilities of the Fund Operator | 12 |
| G) Fund Operator & Auditor | |
| 1) Name and Address of the Auditor | 12 |
| H) Financial Statements | 14 |

A) Fund Information

1- Fund Name

SEDCO Capital IPO Fund is an open-ended, That invests in Shari'ah-compliant Saudi equities.

2- Fund Investment Objectives, Policies and Practices

An open-ended public investment Fund that is compliant with Shariah Guidelines and Controls. 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 invests its assets mainly in the shares of companies listed on the Saudi Stock Exchange that comply with the Sharia standards and controls approved by the Fund's Sharia Supervisory Committee of various sizes and sectors, and to achieve its objectives, the Fund may invest in the following:

- Initial Public Offerings (IPOs) for companies listed on the Saudi Stock Exchange (SSE), including the main market and the parallel market.
- Rights issues for companies listed on the Saudi Stock Exchange.
- Initial Public Offerings of Real Estate Exchange Traded Funds (REITs).
- Shariah-compliant money market transactions.
- Shari'ah compliant Sukuk.
- Table showing the percentage of investment in each investment area with minimum and maximum limits:

| Type of assets (investments) | Minimum Net Asset Value | Maximum Net Asset Value |
|--|-------------------------|-------------------------|
| Initial Public Offerings (IPOs) of shares of companies listed on the Saudi Stock Exchange, including the main market and the parallel market | 50% | 100% |
| Priority rights for companies listed on the Saudi Stock Exchange | 0% | 50% |
| Initial Public Offerings of Real Estate Exchange Traded Funds (REITs) | 0% | 40% |
| Sharia-compliant money market transactions | 0% | 40% |
| Sharia-compliant Sukuk | 0% | 40% |

*Note: It should be noted that the Fund Manager endeavors to adhere to the minimum in line with the presence of IPOs in the market and the percentage allocated to the Fund in IPOs. Securities, including those issued by the Fund Manager (or any of its affiliates) in a manner that does not conflict with the requirements of the Investment Funds Regulations, strategies and investment restrictions of the Fund.

Under normal circumstances, the Fund Manager will not hold cash and money market funds in excess of (40%) of the Fund's net asset value, but in case some assets are sold until the cash is reinvested or at the beginning of the Fund's period until investment opportunities are identified and the available cash is invested or in exceptional cases, including but not limited to economic crises, force majeure events, lack of initial public offerings, etc. the allocated percentage may be increased to up to (100%) of the Fund's net asset value (NAV).

3- Fund Investment Objectives, Policies and Practices

- The Fund will not distribute any dividends or cash distributions to investors and the Fund will reinvest the dividends received in the Fund's investment areas to enhance the Fund's performance.

4- Description of the Fund's Benchmark

- The benchmark index for the fund is SC Saudi IPO Total Return Index. This benchmark is calculated by the fund manager according to the index calculation mechanism, the Benchmark of the Fund is internally calculated and includes total return of all the IPOs in Main market and Nomu after the inception of benchmark.
- Benchmark of the Fund is internally calculated and includes total return of all the IPOs in Main market and Nomu after the inception of the benchmark. IPOs will be added to benchmark on the day of listing at IPO price and exit after 3 years. Each main market IPO gets 3% weight and Nomu IPO gets 1% weight at entry through proportional weight displacement of other constituents. The weight of each listed company in the BM would be capped at 20%. BM Rebalancing happens on monthly basis to ensure that the BM abide by all of its guidelines.

5- The Fund Manager will Make the Fund's Reports available Upon Request and Free of Charge

B) Fund performance

1- Financial results as at the end of 2024

| Description | As of 31 December 2024 SAR |
|--|-------------------------------|
| Net Asset Value of the Fund at the end of the Fiscal Year | 38,848,384.05 |
| Net Asset Value Per Unit of the Fund at the end of the Fiscal Year | 10.7192 |
| Highest Net Asset Value Per Unit for the Fiscal year | 11.2183 |
| Lowest Net Asset Value Per Unit for the Fiscal year | 9.9567 |
| Number of Outstanding Units at the end of the Fiscal Year | 3,624,182.2249 |
| Dividends Distributed Per Unit | NA |
| Ratio of Expenses | 0.98% |
| Ratio of Borrowed Assets to Total Asset Value, Exposure Period and Maturity Date | NA |

2- Performance Record*

Total Return for One, Three, and Five Years (or Since Inception)

| Period | One year | Three years | Five years | Since inception |
|--------|----------|-------------|------------|-----------------|
| Return | 7.19% | - | - | 7.19% |

Total Return for One, Three, and Five Years (or Since Inception)

| Period | 2024 | Since inception |
|------------------------|-------|-----------------|
| Return | 7.19% | 7.19% |
| Indicator Performance | 4.14% | 4.14% |
| Performance Difference | 3.05% | 3.05% |

*The Fund commenced operations on 26 August 2024.

3- Table showing Commissions and Fees incurred by the Fund During the Year.

| Description | Amount (SAR) |
|--|--------------|
| Fund Operator and Custodian Fees | 7,207 |
| Management Fees | 180,165 |
| Shariah Supervisory Committee Fees | 30,000 |
| Professional fees* | 80,000 |
| Other Fees & Expenses | 85,104 |
| Total Expenses | 382,476 |
| Ratio of Total Fund Fees and Expenses to Net Value of Managed Assets | 0.98 |
| circumstances under which the Fund Manager decides to waive or reduce any fees | NA |

The Rules for calculating Performance Data and any assumption are applied consistently

*Includes Auditor fees and zakat and tax filling.

4- Any Material Changes During the Period affecting the Performance of the Fund

During the reporting period, an update to the index calculation mechanism was approved to ensure its accuracy and alignment with the Fund's strategy.

This was updated in the Terms and Conditions later in the reporting period, dated January 12, 2025.

5- Disclosure of Annual Voting Practices

Not Applicable

C) Report of the Fund's Board of Directors

1- Names of the Fund Board Members and Type of Membership

| # | Director Name | Type of Membership |
|---|----------------------|---------------------------------|
| 1 | Mr. Ziad Al Akeel | Chairman (Independent) |
| 2 | Mr. Hisham Ghouth | Board Member (Independent) |
| 3 | Mr. Samer Abu Aker* | Board Member (Non-Independent) |
| 4 | Mr. Abdulwahhab Abed | Board Member (Non-Independent) |

* Mr Samer Abu Aker resigned from the Board of Directors of the Fund subsequent to the date of the report 31 DEC 2024.

2- Brief Description of the Qualifications of the Fund Board Members

Director Name Mr. Ziad Al Akeel

Mr. Ziad Alakeel has over sixteen (16) years of banking experience in various leadership positions, most recently as Executive Vice President of the Private Banking Group (Saudi National Bank). He is currently the CEO and Co-Founder of Dar Al Wesal Marketing Company, which was established in 2003 as a Saudi company specialised in real estate development, marketing and facilities management, and is currently the CEO and Co-Founder of Dar Al Wesal Marketing Company. He has held several board memberships including: Founding Partner and Board Member of Dar Al Wassal, Even Tag and Sabre Financial in Texas, USA, Member of Alinmaa Thuraya Real Estate Fund, Former Member of the Corporate Group Credit Committee (Samba Financial Group), Former Member of the Investment Products Committee (National Commercial Bank), Former Member of the Investment Products Committee (National Commercial Bank). Mr. Ziad Al Akil holds a Bachelor of Business Administration degree in Finance from the American University in Washington DC in 1992, a Series 7 Securities Trading Certificate from the State of New York and a Financial and Management Consulting License from the Kingdom of Saudi Arabia, advanced studies in Comprehensive Residential Development Planning Sciences from Johns Hopkins University and the International Executive Qualification Programme from INSEAD University in Paris

Director Name Mr. Hisham Ghouth

With over twenty (20) years of professional experience, Mr Hisham is currently a Senior Partner and Head of Business Development at Lake Moore Financial, Mr Hisham holds a Bachelor's degree international law from King Abdulaziz University.

Director Name Mr. Samer Abu Aker

With more than (20) years of experience, Mr. Abu Aker served as the CEO of SEDCO Capital, a position he held after several positions in the company over (10) years. During his tenure as CEO, Mr. Abu Aker chaired the Management Committee and the Investment Committee at SEDCO Capital, where he directly oversaw aspects related to governance, investment and compliance. Prior to joining SEDCO Capital, Mr. Abu Aker held senior management positions at Bank of New York in New York, Alternative Investment Services in Bermuda, as well as the Royal Bank of Canada. He is a Certified Public Accountant and holds a bachelor's degree in accounting from Brock University in Canada.

Director Name Mr. Abdulwahhab Abed

Mr Abed is SEDCO Capital's Acting Chief Executive Officer, his latest role in an illustrious 18-year association with the firm. A results-driven leader, he is well regarded in the investment and asset management industry for successfully managing a diverse range of business lines.

Mr Abed brings to the role extensive hands-on experience in charting strategic business plans; negotiating investment opportunities across a range of asset classes and geographies; structuring funding for portfolios; developing optimal exit strategies; and building shareholder and client value. He also has sound legal expertise and proven experience in leading merger and acquisition (M&A) transactions and in negotiating deals and partnerships with a wide array of regional and international corporates.

Before his appointment as Acting CEO, Mr Abed held various roles in the firm, the most recent of which were Chief Business Development Officer, Chief Investment Officer, Head of Corporate Finance, Head of Real Estate and Vice President of Private Equity. He currently chairs the Investment, Management Committees and the Product Development Committee.

Mr Abed has an MBA (Finance major) and a BSc (Finance and Accounting double majors), both from Bentley University's McCallum School of Business in the USA. Mr Abed is a graduate of Misk 2030 Leaders program.

3) Other Funds managed by Board Members

| # | Name | Other Funds | Role |
|---|----------------------|--|-----------------------------|
| 1 | Mr. Ziad Al Akeel | <ul style="list-style-type: none"> Itqan Capital Saudi Equity Fund Itqan Capital Multi-Assets Fund For Growth Daal Itqan Capital VC Fund Golden Deposits Fund Atta'meer Fund Al Tahaluf Real Estate Fund Triple Helix Private Equity Fund Red Sea Logistics Fund Ashrooq Real Estate Fund Itqan Logistics Fund SEDCO Capital Unified Education Build-to-Suit Real Estate Fund SEDCO Capital REIT Fund SEDCO Capital - Ajdan Fairmont Fund Rikaz SEDCO Capital Fund SEDCO Capital Inspire Boulevard Fund Masar SEDCO Capital Real Estate Fund SEDCO Capital Grand Square Fund Asmou SEDCO Capital Fund SEDCO Capital Laghara Fund Alinma AlThoraya Real Estate Fund | Board Member (Independent) |
| 2 | Mr. Hisham Ghouth | <ul style="list-style-type: none"> NA | NA |
| 3 | Mr. Samer Abu Aker | <ul style="list-style-type: none"> SEDCO Capital REIT | Non- Independent Fund Board |
| 4 | Mr. Abdulwahhab Abed | <ul style="list-style-type: none"> SEDCO Capital Unified Education Build-to-Suit Real Estate Fund SEDCO Capital REIT Fund Rikaz SEDCO Capital Fund SEDCO Capital Ajdan Fairmont Fund SEDCO Capital Ishbilyah Fund SEDCO Capital Inspire Boulevard Fund Masar SEDCO Capital Real Estate Fund SEDCO Capital Grand Square Fund Asmou SEDCO Capital Fund SEDCO Capital Somou Park Fund SEDCO Capital Somou AlRemal Fund | Non- Independent Fund Board |

4- Details of the Fund's Board Members Remuneration and Conflict of Interest Statement

- (5,000) Saudi Riyals per meeting for each member and a maximum of (20,000) Saudi Riyals per annum for each member, payable after each meeting.
- The Fund Board shall oversee and, where appropriate, approve or ratify any conflict of interest the Fund Manager has identified. The Fund Board shall exercise care and diligence towards the Unitholders and make the utmost effort to resolve any conflict of interest in good faith and in the appropriate manner. The Fund Manager will disclose to the Fund Board all transactions between the Fund and the Fund Manager, its subsidiaries and entities in which SEDCO Capital in its capacity as Fund Manager has direct or indirect interest. Any conflict of interest will be disclosed by the Fund Manager to the Fund Board as soon as possible and shall be
- disclosed in the Fund's annual reports. As of the date of these Terms and Conditions, there is no actual or potential conflict between the interests of the Fund Board members and the interests of the Fund.

5- Description of Board of Directors Roles and Responsibilities

- Approving all material contracts, decisions and reports to which the Fund is a party, including - without limitation - approving the contracts for providing management services to the Fund and the contracts for providing custody services. This, however, contracts which are executed in accordance with the investment decisions excludes related to any investments which the Fund had made or will make in the future.
- Reviewing the report which contains an evaluation of the performance and quality of the services provided by the parties concerned, so as to ensure that the Fund Manager carries out its responsibilities in the best interest of the Unitholders in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
- Approving a written policy on the voting rights related to the Fund Assets.
- Overseeing and, where appropriate, approving or ratifying any conflict of interest the Fund Manager has identified.
- Meeting at least twice annually with the Fund Manager's compliance officer to oversee the Fund Manager's compliance with all applicable laws and regulations, including - without limitation - the requirements as stipulated in the Investment Funds Regulations.
- Approving all the Fundamental and Non-Fundamental Changes provided in the Investment Funds Regulations, before the Fund Manager receives the approval of the Unitholders and the CMA or before it notifies them (where applicable).
- Ensuring the completeness and accuracy of the Terms and Conditions and any other document, whether contractual or otherwise, that includes disclosures related to the Fund and/or the Fund Manager and its management of the Fund, in addition to ensuring compliance of the foregoing with the provisions of the Investment Funds Regulations.
- Ensuring that the Fund Manager performs its responsibilities in the best interest of the Unitholders, in accordance with the Investment Funds Regulations, the Terms and Conditions and the Shari'ah Supervisory Committee resolutions.
- Evaluating the process in which the Fund Manager deals with the risks related to the Fund's assets, subject to the Fund Manager's policies and procedures on assessment of Fund-related risks and the method of dealing with them.
- Acting with integrity, good intent, due care and diligence and in the best interest of the Unitholders.
- Reviewing the report containing all the complaints and action taken in respect of those complaints, which is referred to in the Investment Funds Regulations, so as to ensure that the Fund Manager carries out its responsibilities in the best interest of the Unitholders in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
- Recording minutes of meetings showing all actions taken during the meetings and the decisions made by the Board.
- Ensuring that the Fund Manager is committed to disclosing material information to Unitholders in accordance with the Terms and Conditions of the Fund and the Investment Funds Regulations.
- Conducting an annual assessment for each independent member to ensure that there are no relationships or circumstances that affect or may affect his/her independency in accordance with the provisions of the Investment Funds Regulations.

6- Items discussed and Resolutions issued, including the Fund's Performance and Achievement of the Fund's Objectives

| Date | Topics | Fund Board Resolutions |
|--------------------------------|---|---|
| 13 th August 2024 | Update the Terms and Conditions of the Fund | The Fund Board of Directors Approved to Updating the terms and conditions of the fund as following: <ul style="list-style-type: none"> • 1. Update on the benchmark. • 2. Update on the offering dates. |
| 25 th December 2024 | Update the Terms and Conditions of the Fund | The board of director approved to update the Terms and Conditions of the Fund |

1. Fund Manager Name & Address

Saudi Economic and Development Securities Company (SEDCO Capital)
South Tower Red Sea Mall
Kingdom of Saudi Arabia
P.O. Box 13396 Jeddah, 21493
Tel: +966 12 690 6555
Website: www.sedcocal.com
E-Mail: info@sedcocal.com



Saudi Economic and Development Securities Company (SEDCO Capital) is a Saudi closed joint stock company registered under Commercial Registration No. 4030194994 and licensed as a "Capital Market Institution" under CMA License No. 11157-37 dated 19/04/2009 to deal, provide custody services, manage investments and operating Funds, arrange and advise.

2. Name and Address of the Fund's Sub-Manager and/or Investment Advisor

No sub-fund manager and/or investment advisor

3. Review of the Investment Activities during the Period

During 2024 SC IPO Fund invested in 18 IPOs i.e., 11 Parallel Market ones and the rest on Main board. In total it deployed SAR 29.3 million into these IPOs. PURITY TECH and SAMAWATER were the most successful invests generating total gain of SAR 2.3 million while ARABIAN MILLS and FOURTH MILLS were the worst ones contributing SAR 0.3 million loss.

In aggregate out of 18 IPOs, only 5 yielded capital loss while others remained in green.

4. Report of Investment Fund's Performance during the Period

- Inception (August 26, 2024) to date (December 31, 2024), the fund generated a net return of 7.19%. The higher expense ratio is reflective of the 4 months operations bearing certain full year fixed fees.
- During this period, Benchmark was revised to ensure it is the most accurate and investible comparison metric with regards to the strategy of the Fund. The benchmark revision was approved by CMA and subsequently reflected in the updated Terms and Conditions on 12 January 2025.
- Fund return of 7.19% reflects outperformance of 3.05% vs. the revised Benchmark return of 4.14%.

5. Details of any Changes to the Fund's Terms and Conditions during the Period

- There are no changes to the terms and conditions as of the reporting date.

Subsequent to the reporting date, the following changes have been made to the terms and conditions of the Fund:

- The mechanism for calculating the Fund's benchmark index has been updated.
- The Edaa Connect platform has been added to distribute fund units. This platform is owned by the Edaa Securities Depository Center Company (Edaa). The fund manager will continue to receive subscription and redemption requests through the fund manager's available channels.

6. Any other Information that would enable Unitholders to make an informed judgment about the Fund's Activities during the Period

NA

7. The Fund's investments in other investment funds

NA

8. Any special commission received by the Fund Manager during the period

NA.

9. Any other data and other information required by these Regulations to be included in this report

NA

10. Period for the management of the person registered as Fund Manager

Since the Fund commenced operations on 26 August 2024.

11. A disclosure of the expense ratio of each underlying fund at end of year and the weighted average expense ratio of all underlying funds that invested in

NA

Name and Address of Custodian

Saudi Fransi Capital Company
Head Office: 8092 King Fahad Road
Riyadh 12313-3735, Kingdom of Saudi Arabia
Website: <https://www.sfc.sa>



A brief description of its duties and responsibilities:

- The Custodian shall be responsible for fulfilling all of its obligations under the provisions of the Investment Funds Regulations, whether he performs his responsibilities and duties directly or has delegated them to a third party under the Investment Fund Regulations and the Capital Market Institutions Regulations.
- The Custodian shall be responsible for the segregating the Fund Assets and investments and shall be responsible before the Fund Manager and Unitholders for the Fund's losses resulting from fraud, negligence, misconduct or intentional default on the part of the Custodian.
- The Custodian shall be responsible for the custody of the Fund's assets, for their protection in the interest of the Unitholders, and for taking all the required administrative actions relating to the custody of the Fund's assets.
- The Custodian shall open a separate account for the Fund.
- The Custodian shall take all necessary action to segregate the Fund's assets from any other assets, including the assets of the Custodian and the assets of its other clients, such that those assets are segregated by registering the securities and other assets in the name of the special purpose vehicle, while the Custodian maintains all necessary records and other documents evidencing fulfilment of its contractual obligations.
- The Custodian shall deposit all cash amounts belonging to the Fund in the aforementioned account, and the Custodian shall deduct from that account the amounts used to finance investments and expenses of managing and operations of the Fund in accordance with the provisions of the Investment Funds Regulations, the updated version of the Fund's Terms and Conditions received from the Fund Manager, and the contract under which the Custodian was appointed by the Fund Manager.
- Incorporation of the special purpose vehicle as needed in accordance with the provisions of the Investment Funds Regulations.
- Carrying out professional due diligence when providing custody services. Besides, the Custodian shall be required to fully and duly perform its obligations stated under the relevant custody services agreement and under Part VII requirements of the Capital Market Institutions Regulations, and professional due diligence of a specialized provider of custody services as stated in Part III requirements of the Capital Market Institutions Regulations relating to custody.
- Fully cooperating with the requests of the Auditors and other advisers of the Fund as well as the Fund Manager as per the Investment Funds Regulations.

F) Fund Operator & Auditor

Name and Address of Fund Operator

Saudi Fransi Capital Company
Head Office: 8092 King Fahad Road
Riyadh 12313-3735, Kingdom of Saudi Arabia
Website: <https://www.sfc.sa>



A brief description of its duties and responsibilities:

- The Fund Operator shall be responsible for the operation of the Fund.
- The Fund Operator shall keep books and records related to the operation of the Fund.
- The Fund Operator prepares, updates and maintains the register of subscribers in the Units in the Kingdom in accordance with the requirements of the Investment Funds Regulations.
- The Fund Operator is responsible for the distribution of dividends (if any) as per the distribution policy set out in these Terms and Conditions.
- Full and fair evaluation of the Fund Assets and calculation of the Fund's Unit Price.

Name and Address of Auditor

Ernst & Young Professional Services

Al Faisaliah Office Tower - 14th Floor
King Fahad Road
P.O. Box 2732 Riyadh 11461
Kingdom of Saudi Arabia
Tel: +966 (11) 215 9898
+966 (11) 273 4740
Fax: +966 (11) 273 4730
Website: ey.com
Email: ey.ksa@sa.ey.com



Saudi Economic and Development Securities Company (SEDCO Capital)

Authorized by the Capital Market Authority - License No. 37-11157

Commercial Registration 4030194994

Jeddah (Head Office)

South Tower, Red Sea Mall,
King Abdulaziz (Malik) Road,
PO Box 13396 Jeddah 21491,
Kingdom of Saudi Arabia
+966 12 690 6555 / 6599
info@sedcocapital.com

Important Notice

This document does not constitute an offer to buy, subscribe or participate in the Fund, nor shall it (or any part of it) form the basis of, or be relied on, in connection with, or act as inducement to enter into any contract whatsoever.

Prospective investors should carefully read the Fund's Terms and Conditions and should seek advice from a qualified investment advisor on the suitability of the Fund as an investment prior entering into an investment in the Fund. Investing in the Fund could carry risks; therefore, may not be suitable for all investors. Hence, prospective investors must be willing to undertake the risks associated with any investment in the Fund.

This document has been prepared using data and information from reliable sources, The Fund Manager shall not be liable for any loss that may arise from the use of this report or any of its contents or otherwise arising in connection therewith. Past performance of the Fund is not an indication nor a guarantee of future performance. The value of units, dividends derive from them, as well as fund prices, and their currencies may decrease or rise, and changes in currency rates may adversely affect the value of securities, prices, or income. The Fund's assets may also be subject to risks in the financial markets in which the assets are invested It may be difficult for the investor to sell illiquid securities or make profits from them and obtain reliable information about its value or the extent of the risks it is exposed to, and additional fees / expenses may apply. Dividends or income may fluctuate, and part of the invested capital may be used to pay dividends income. By investing in the Fund, the investor acknowledges having read and accepted the Fund's Terms and Conditions.

 +966 12 690 6555

 P.O. Box 13396, Jeddah 21493, Kingdom of Saudi Arabia

 www.sedcocapital.com

 +966 12 690 6599

 License No. 11157-37

 info@sedcocapital.com

Financial Statements
As of 31 December 2024

SEDCO CAPITAL IPO FUND
(Managed by SEDCO Capital)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REPORT TO THE UNITHOLDERS**

FOR THE PERIOD FROM 26 AUGUST 2024 TO 31 DECEMBER 2024

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

FINANCIAL STATEMENTS

For the period from 26 August 2024 to 31 December 2024

| INDEX | PAGE |
|--|-------------|
| Independent auditor's report | 1 – 3 |
| Statement of financial position | 4 |
| Statement of income and comprehensive income | 5 |
| Statement of changes in net assets attributable to unitholders | 6 |
| Statement of cash flows | 7 |
| Notes to the financial statements | 8 – 18 |



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
King's Road Tower, 13th 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
ey.com

INDEPENDENT AUDITOR'S REPORT To the Unitholders of SEDCO Capital IPO Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SEDCO Capital IPO Fund (the "Fund"), managed by SEDCO Capital Company (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2024, and the statement of income and comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the period from 26 August 2024 to 31 December 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the period from 26 August 2024 to 31 December 2024 in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Fund's 2024 annual report, other than the financial statements and our auditor's report thereon. The Fund Manager is responsible for the other information in the Fund's annual report. The Fund's 2024 annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority and the Fund's terms and conditions, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



INDEPENDENT AUDITOR'S REPORT To the Unitholders of SEDCO Capital IPO Fund (continued)

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements (continued)

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e, the Fund Board, is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit, in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**INDEPENDENT AUDITOR'S REPORT
To the Unitholders of SEDCO Capital IPO Fund (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

for Ernst & Young Professional Services

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



Jeddah 26 Ramadhan 1446H
(26 March 2025G)

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

| | <i>Notes</i> | <i>2024</i> ₤ |
|--|--------------|-----------------------|
| ASSETS | | |
| Financial assets measured at fair value through income statement (FVTIS) | 5 | 20,223,335 |
| Advance against investments | 6 | 9,063,360 |
| Cash and cash equivalents | 7 | 9,873,645 |
| TOTAL ASSETS | | 39,160,340 |
| LIABILITIES | | |
| Due to related parties | 8 | 180,257 |
| Accrued expenses and other payables | | 131,699 |
| TOTAL LIABILITIES | | 311,956 |
| NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS | | 38,848,384 |
| UNITS IN ISSUE | | 3,624,182.2249 |
| Net assets value per unit (₤) | | 10.7192 |

The attached notes from 1 to 14 form an integral part of these financial statements.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

STATEMENT OF INCOME AND COMPREHENSIVE INCOME

For the period from 26 August 2024 to 31 December 2024

| | | <i>For the period from 26 August 2024 to 31 December 2024</i> |
|--|--------------|---|
| | <i>Notes</i> | <i>RM</i> |
| INCOME | | |
| Net unrealised gain on revaluation of financial assets measured at FVTIS | 5 | 2,467,712 |
| Murabaha income | 7 (a) | 156,253 |
| Dividend income | | 87,883 |
| TOTAL INCOME | | 2,711,848 |
| EXPENSES | | |
| Management and shariah advisory fees | 8 | 210,165 |
| Custody and operator fees | 8 | 7,207 |
| Operating and other expenses | 9 | 165,104 |
| TOTAL EXPENSES | | 382,476 |
| NET INCOME FOR THE PERIOD | | 2,329,372 |
| Other comprehensive income | | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 2,329,372 |

The attached notes from 1 to 14 form an integral part of these financial statements.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 26 August 2024 to 31 December 2024

*For the period from
26 August 2024 to 31
December 2024*
RMB

| | |
|---|-----------------------|
| Net assets attributable to the unitholders at the beginning of the period | - |
| Issuance and redemptions by the unitholders | |
| Proceeds from issuance of units | 39,948,931 |
| Payment on redemption of units | (3,429,919) |
| | <hr/> |
| Net changes from unit transactions | 36,519,012 |
| Total comprehensive income for the period | 2,329,372 |
| | <hr/> |
| Net assets attributable to the unitholders as at 31 December 2024 | 38,848,384 |
| | <hr/> <hr/> |
| | <u>Units</u> |
| Redeemable unit transactions (numbers) | |
| Units at beginning of the period | - |
| Issuance of units during the period | 3,943,224.1669 |
| Redemptions of units during the period | (319,041.9420) |
| | <hr/> |
| Net increase in units | 3,624,182.2249 |
| | <hr/> |
| Units in issue as at 31 December 2024 | 3,624,182.2249 |
| | <hr/> <hr/> |

The attached notes from 1 to 14 form an integral part of these financial statements.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

STATEMENT OF CASH FLOWS

For the period from 26 August 2024 to 31 December 2024

| | | <i>For the period from 26 August 2024 to 31 December 2024</i> |
|---|--------------|---|
| | <i>Notes</i> | <i>£</i> |
| OPERATING ACTIVITIES | | |
| Net income for the period | | 2,329,372 |
| <i>Adjustments to reconcile net income to net cash from operating activities:</i> | | |
| Net unrealised gain on revaluation of financial assets measured at FVTIS | 5 | (2,467,712) |
| Net changes in operating assets and liabilities: | | |
| Net movement in financial assets measured at FVTIS | 5 | (17,755,623) |
| Advance against investment | 6 | (9,063,360) |
| Due to related parties | 8 | 180,257 |
| Accrued expenses and other payable | | 131,699 |
| Net cash used in operating activities | | (26,645,367) |
| FINANCING ACTIVITY | | |
| Proceeds from issuance of units | | 39,948,931 |
| Payments on redemption of units | | (3,429,919) |
| Net cash from financing activity | | 36,519,012 |
| Net change in cash and cash equivalents | | 9,873,645 |
| Cash and cash equivalents at the beginning of the period | | - |
| Cash and cash equivalents at the end of the period | | 9,873,645 |

The attached notes from 1 to 14 form an integral part of these financial statements.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 26 August 2024 to 31 December 2024

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.

As per the approved terms and conditions, the Fund does not have a specific duration or maturity date, starting as of the date of listing (i.e. 26 August 2024) of the Fund Units on the main market and become available for trading. Further, the accounting period and fiscal year of the Fund is 12 calendar months, ending on 31 December. The end of the Fund’s initial accounting period is 31 December 2024. Hence, the first financial statements of the Fund has been prepared for the short period from 26 August 2024 to 31 December 2024.

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 CMA pursuant to Resolution No. 1/219/2006 dated 03 Dhul Hijjah 1427H (corresponding to 24 December 2006) as amended by the Resolution of the Board of the CMA No. 2/22/2021 dated 12 Rajab 1442 H, corresponding to (24 February 2021G), detailing requirements for investment funds within the Kingdom of Saudi Arabia.

2 BASIS OF PREPERATION

a) Statement of compliance

These financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and to comply with the applicable provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority and the Fund’s terms and conditions.

The Fund has prepared the financial statements on the basis that it will continue to operate as a going concern.

b) Basis of measurement

These financial statements 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.

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 statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

c) Functional and presentation currency

Items included in these 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.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the period from 26 August 2024 to 31 December 2024

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Fund's accounting policies, the Fund Manager has made the following judgement, which have the most significant effect on the amounts recognised in the financial statements.

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 Fund Manager is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash at bank and Murabaha deposits with original maturities of less than three months.

4.2 Financial instruments - Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through income statement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. With the exception of receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient, the Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income statement, transaction costs. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through income statement, irrespective of the business model.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the period from 26 August 2024 to 31 December 2024

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Financial instruments - Initial recognition and measurement (continued)

a) *Financial assets (continued)*

The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in income statement when the asset is derecognised, modified or impaired. The Fund's financial assets at amortised cost includes advance against investment and cash and cash equivalent.

Financial assets at fair value through OCI

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to income statement. Dividends are recognised as other income in the statement of income when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through income statement

Financial assets at fair value through income statement are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of income. This category includes financial assets at fair value through income statement (FVTIS), which represents investment in local equity instruments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, Or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through income statement. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

b) *Financial liabilities*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through income statement. All financial liabilities are recognised initially at fair value.

The Fund's financial liabilities include due to a related party and other payable. Gains or losses on liabilities held for trading are recognised in the statement of income statement. Financial liabilities designated upon initial recognition at fair value through income statement are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Fund has not designated any financial liability as at fair value through income statement.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the period from 26 August 2024 to 31 December 2024

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Financial instruments - Initial recognition and measurement (continued)

b) *Financial liabilities (continued)*

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of income.

4.3 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 currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.4 Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.5 Zakat and income tax

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

4.6 Trade date accounting

All regular way purchases and sales of financial assets are recognized and derecognized on the trade date, i.e. the date on which the Fund commits to purchase or sell the financial asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

4.7 Fees and expenses paid by the Fund

In accordance with the Fund's approved terms and conditions, the Fund pays the following fees:

a) *Management Fees*

The Fund Manager is entitled to a management fee of 1.75% of the Fund's Net Asset Value (NAV), calculated daily on a yearly basis, to be paid at the end of each Gregorian month.

b) *Custodian Fees*

The Fund pays a fee to the Fund custodian of 0.02% of the Net Asset Value (NAV) under custody annually, with a minimum of ₪14,000. The Fund custodian is Saudi Fransi Capital Company.

c) *Fund Operator Fees*

The Fund pays an operator fee of 0.05% of the Net Asset Value (NAV) under custody annually, with a minimum of ₪36,000. The Fund operator is Saudi Fransi Capital Company.

d) *Auditor fees*

The Fund pays the external auditor a fee of ₪65,000 payable on a semi-annual basis.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the period from 26 August 2024 to 31 December 2024

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Fees and expenses paid by the Fund (continued)

e) *Fees for independent Board Members*

The Fund pays ₺5,000 on annual basis for each meeting for each independent director and a maximum of ₺20,000 per year for each independent director.

f) *Annual Regulatory Fees imposed by the Authority*

The Fund pays ₺7,500 for the regulatory fees imposed by the CMA annually.

g) *Annual Publication Fees (Tadawul)*

The Fund pays ₺5,000 for the publishing fees to the market annually.

h) *Shariah Compliance Officer Fees*

The Fund pays Shariah compliance monitoring fees, which are a lump sum amount of ₺30,000 annually. The fees are paid to the Shariah compliance officer, who is responsible for disbursing the amounts to the Shariah compliance committee and any other relevant entity regarding Shariah standards and controls.

4.8 Standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments and revisions which are effective from periods on or after 1 January 2025. The Fund has opted not to early adopt these pronouncements and the management does not expect these to have a significant impact on the financial statements of the Fund.

| Standard, interpretation, 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. | 1 January 2025 |
| 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. The amendments are not expected to have a material impact on the Fund's financial statements | 1 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 FINANCIAL STATEMENTS (Continued)

For the period from 26 August 2024 to 31 December 2024

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

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

| | |
|--|-------------|
| | 2024 ﷲ |
| Cost of equity investments during the period | 17,755,623 |
| Net unrealised gain for the period | 2,467,712 |
| | <hr/> |
| Market Value at the end of the period | 20,223,335 |
| | <hr/> <hr/> |

| | 31 December 2024 | | | |
|--|-------------------------|-------------------|----------------------|--------------------------------|
| | % of Market Value | Cost ﷲ | Market value ﷲ | Unrealised gain (loss) ﷲ |
| <u>Investments in local quoted equities (by industry)</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 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 100.00% | 17,755,623 | 20,223,335 | 2,467,712 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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.

6. ADVANCE AGAINST INVESTMENT

During the period, the Fund subscribed to invest in shares of two companies undergoing initial public offering. Subsequent to yearend and upon completion of the subscription period, the shares were allocated to the Fund and the investment amount of ﷲ9 million was recognized as financial assets measured at fair value through income statement.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the period from 26 August 2024 to 31 December 2024

7 CASH AND CASH EQUIVALENTS

| | <i>31 December 2024 ₹</i> |
|---|-----------------------------------|
| Bank balances | 372,397 |
| Murabaha deposits with original maturities of less than three months (note (a) below) | 9,501,248 |
| | <u>9,873,645</u> |

- a) During the period, the Fund earned finance income of ₹156,253 at the rate of return ranging from 4.35% to 5.60%.

At each reporting date, all bank balances including short-term Murabaha are assessed to have low credit risk as they are held with reputable and high credit rating domestic banking institutions and there has been no history of default with any of the Fund's bank balances. Therefore, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

8 RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions comprise of transactions with the Fund Manager, and Fund Custodian and other affiliates of the Fund Manager in the ordinary course of business, undertaken on mutually agreed terms. 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:

| <i>Related party</i> | <i>Nature of transaction</i> | <i>For the period from 26 August 2024 to 31 December 2024 ₹</i> |
|--|------------------------------|---|
| SEDCO Capital (Fund Manager) | Management fees | 180,165 |
| | Sharia supervising fees | 30,000 |
| Saudi Fransi Capital (Fund Custodian) | Custody fees | 2,059 |
| | Operator fees | 5,148 |

The balance due to related parties as at 31 December 2024 comprise the following:

| | <i>31 December 2024 ₹</i> |
|-----------------------------|-----------------------------------|
| Fund manager | 173,050 |
| Fund custodian and operator | 7,207 |
| | <u>180,257</u> |

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the period from 26 August 2024 to 31 December 2024

9. OPERATING AND OTHER EXPENSES

| | <i>For the period from 26 August 2024 to 31 December 2024</i> |
|-------------------|---|
| | ฿ |
| Professional fees | 80,000 |
| VAT expenses | 46,745 |
| CMA fees | 17,500 |
| Tadawul fees | 6,762 |
| Other expenses | 14,097 |
| | <hr/> |
| | 165,104 |
| | <hr/> <hr/> |

10. 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 advantageous accessible market for the asset or liability.

The Fund's financial assets consist of cash and cash equivalents, financial assets measured at FVTIS and advance against investments. Its financial liabilities consist of due to a related party and accrued expenses and other payables. All financial assets and financial liabilities as at 31 December 2024 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 of 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 31 December 2024.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the period from 26 August 2024 to 31 December 2024

11 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: interest 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.

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 only one investment in mutual fund that is 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 reasonable change % | Effect on NAV 31 December 2024 ± |
|--------------------------|-------------------------------|--|
| Financial asset at FVTIS | ± 10% | 2,022,334 |

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the period from 26 August 2024 to 31 December 2024

11 FINANCIAL RISK MANAGEMENT (Continued)

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, 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.

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.

12 ZAKAT

As per Zakat, Tax and Customs Authority ("ZATCA") regulations, all Investment Funds are required to register and submit informative returns, and the responsibility of paying zakat will be at the unitholder level. The Fund has registered with ZATCA and will file its first informative return for the period ended 31 December 2024.

The Fund has no liability to pay the Zakat and is only required to file the information only return. Zakat is the obligation of the unitholders and therefore, no provision for such liability is made in these financial statements.

SEDCO CAPITAL IPO FUND

(Managed by SEDCO Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the period from 26 August 2024 to 31 December 2024

12 ZAKAT (Continued)

The zakat base is based on the following:

| | <i>For the period from 26 August 2024 to 31 December 2024</i> |
|--|---|
| | # |
| Net Profit/Loss after Zakat | (2,329,372) |
| Total Adjustments | - |
| Amended net income | (2,329,372) |
| <i>Owners equity and equivalents:</i> | |
| Net assets attributable to the unitholders | 38,848,384 |
| Due to related parties | 180,257 |
| Total owners' equity and equivalents | 39,028,641 |
| Additional current liabilities resulting from deductions of current assets | 68,013 |
| Liabilities and equivalents up to the limit of deductions | 68,013 |
| Total additions including adjustments | 39,096,654 |
| Financial assets measures at fair value through income statement | 20,223,335 |
| Total deduction | (20,223,335) |
| Zakat Base | 18,873,319 |
| Zakat base or minimum or maximum zakat cap | 18,873,319 |
| Zakat due @366/354 | 170,606 |
| Minimum Zakat cap calculation as per Art.27 | 2,329,372 |
| Minimum Zakat cap calculation as per Art.28 | 39,028,641 |
| Deductible items listed under Current Assets | |
| Financial assets measures at fair value through income statement | 20,223,335 |
| Current Liabilities | 131,699 |
| Current assets | 39,160,340 |
| Percentage | 51.64% |
| Additional current liabilities resulting from deduction of current assets | 68,013 |
| Number of Unit | 3,624,182 |
| Zakat per unit | 0.04707 |

13 LAST VALUATION DAY

The last valuation day of the period was 31 December 2024.

14 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Fund Board on 26 March 2025G (corresponding to 26 Ramadan 1446H).