

**SAB INVEST SAUDI INDUSTRIAL COMPANIES  
EQUITY FUND  
(Managed by SAB Invest)**

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

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**



**Ernst & Young Professional Services (Professional LLC)**  
**Paid-up capital (SR 5,500,000 -Five million five hundred thousand Saudi Riyal)**  
Head Office  
Al Faisaliah Office Tower, 14th Floor  
King Fahad Road  
P.O. Box 2732  
Riyadh 11461  
Kingdom of Saudi Arabia

C.R. No. 1010383821

Tel: +966 11 215 9898

+966 11 273 4740

Fax: +966 11 273 4730

ey.ksa@sa.ey.com

ey.com/mena

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

### Introduction:

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Saudi Industrial Companies Equity Fund (the "Fund") managed by SAB Invest (the "Fund Manager") as at 30 June 2024, and the related interim condensed statement of comprehensive income for the six-month period ended 30 June 2024, and the related interim condensed statement of changes in equity attributable to the unitholders and cash flows for the six-month period then ended, and explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services

Fahad M. Al-Toaimi  
Certified Public Accountant  
License No. 354

Riyadh: 7 Safar 1446H  
(11 August 2024)



# SAB INVEST SAUDI INDUSTRIAL COMPANIES EQUITY FUND

## Interim condensed statement of financial position

As at 30 June 2024

	Notes	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
<b>ASSETS</b>			
Cash and cash equivalents		303,510	13,274,883
Financial assets at fair value through profit or loss (FVTPL)	4	57,766,097	54,025,170
Receivables against sold securities		1,638,926	-
Dividend Receivable		27,065	
Receivable and advances		233	233
<b>TOTAL ASSETS</b>		<b>59,735,831</b>	<b>67,300,286</b>
<b>LIABILITIES</b>			
Payable against purchased securities		1,321,302	-
Management fees payable	5	96,089	163,155
Accrued expenses and other payables		129,401	123,972
<b>TOTAL LIABILITIES</b>		<b>1,546,792</b>	<b>287,127</b>
<b>EQUITY</b>			
Net assets attributable to unitholders of redeemable units		58,189,039	67,013,159
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>59,735,831</b>	<b>67,300,286</b>
Redeemable units in issue		3,519,703	4,726,142
Net asset value attributable to each per unit		16.53	14.18

The accompanying notes 1 to 9 form an integral part of these unaudited interim condensed financial statements.

# SAB INVEST SAUDI INDUSTRIAL COMPANIES EQUITY FUND

## Interim condensed statement of comprehensive income (unaudited)

For the six-month period ended 30 June 2024

		<i>30 June</i> <b>2024</b> SR	<i>30 June</i> 2023 SR
<b>INCOME</b>			
Net movement in unrealised (loss) / gain on financial assets at FVTPL		<b>(2,254,180)</b>	16,093,140
Net realised gain / (loss) on disposal of financial assets at FVTPL		<b>10,966,336</b>	(3,282,373)
Dividend income		<b>586,044</b>	1,691,494
<b>TOTAL INCOME</b>		<b>9,298,200</b>	14,502,261
<b>EXPENSES</b>			
Management fees	5	<b>544,711</b>	921,196
Other expenses		<b>154,821</b>	88,488
<b>TOTAL EXPENSES</b>		<b>699,532</b>	1,009,684
<b>NET INCOME FOR THE PERIOD</b>		<b>8,598,668</b>	13,492,577
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>8,598,668</b>	13,492,577

The accompanying notes 1 to 9 form an integral part of these unaudited interim condensed financial statements.

## SAB INVEST SAUDI INDUSTRIAL COMPANIES EQUITY FUND

Interim condensed statement of changes in equity attributable to the unitholders  
(unaudited)

For the six-month period ended 30 June 2024

	2024 SR	2023 SR
<b>EQUITY AT THE BEGINNING OF THE PERIOD</b>	<b>67,013,159</b>	90,799,176
Net income for the period	<b>8,598,668</b>	13,492,577
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<b>8,598,668</b>	13,492,577
Issue of units during the period	<b>1,050,583</b>	828,251
Redemption of units during the period	<b>(18,473,371)</b>	(4,113,611)
Net changes from unit transactions	<b>(17,422,788)</b>	(3,285,360)
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>58,189,039</b>	101,006,393

	<i>Units</i>	<i>Units</i>
<b>REDEEMABLE UNIT TRANSACTIONS</b>		

Transactions in redeemable units during the period are summarised as follows:

<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>4,726,142</b>	8,321,144
Issue of units during the period	<b>66,535</b>	72,574
Redemption of units during the period	<b>(1,272,974)</b>	(354,690)
Net changes in units	<b>(1,206,439)</b>	(282,116)
<b>UNITS AT THE END OF THE PERIOD</b>	<b>3,519,703</b>	8,039,028

The accompanying notes 1 to 9 form an integral part of these unaudited interim condensed financial statements.

# SAB INVEST SAUDI INDUSTRIAL COMPANIES EQUITY FUND

## Interim condensed statement of cash flows (unaudited)

For the six-month period ended 30 June 2024

	2024 SR	2023 SR
<b>OPERATING ACTIVITIES</b>		
Net income for the period	8,598,668	13,492,577
<i>Adjustments to reconcile net income to net cash flows from operating activities:</i>		
Net movement in unrealised (loss) / gain on financial assets at FVTPL	2,254,180	(16,093,140)
Dividend income	(586,044)	(1,691,494)
	<b>10,266,804</b>	<b>(4,292,057)</b>
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	(5,995,107)	2,549,213
Receivables against sold securities	(1,638,926)	-
Receivable and advances	-	2,128,255
Payable against purchased securities	1,321,302	-
Management fee payable	(67,066)	(31,510)
Accrued expenses and other payables	5,429	(14,150)
Cash flows generated from operations	<b>3,892,436</b>	339,751
Dividends received	<b>558,979</b>	1,691,494
Net cash flows generated from operating activities	<b>4,451,415</b>	2,031,245
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	1,050,583	828,251
Payment on redemption of units	(18,473,371)	(4,113,611)
Net cash flows used in financing activities	<b>(17,422,788)</b>	<b>(3,285,360)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(12,971,373)</b>	<b>(1,254,115)</b>
Cash and cash equivalents at the beginning of the period	<b>13,274,883</b>	2,377,737
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>303,510</b>	1,123,622

The accompanying notes 1 to 9 form an integral part of these unaudited interim condensed financial statements.

# SAB INVEST SAUDI INDUSTRIAL COMPANIES EQUITY FUND

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## Notes to unaudited interim condensed financial statements

At 30 June 2024

### 1. INCORPORATION AND ACTIVITIES

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

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

The objective of the Fund is to achieve long term capital appreciation, through investing in Saudi industrial sector Shariah-compliant equities.

The Fund is managed by the Fund Manager who also acts as the administrator of the Fund. Albilad Capital is the custodian of the Fund. All income is reinvested in the Fund and is reflected in the unit price.

### 2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) detailing requirements for all investments funds operating within the Kingdom of Saudi Arabia and published by the Capital Market Authority (the “CMA”) on 3 Dhul Hijja 1427H (corresponding to 24 December 2006). The Regulations were further Amended by Resolution of the Board of the Capital Market Authority Number 2-22-2021 Dated 12 Rajab1442H. Corresponding to 24 February 2021G (the “Amended Regulations”). The amended regulations are effective from 19 Ramadan 1442, corresponding to 1 May 2021).

### 3. BASIS OF PREPARATION AND CHANGES TO MATERIAL ACCOUNTING POLICIES

#### 3.1. Statement of compliance

These unaudited interim condensed financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as endorsed in the kingdom of Saudi Arabia.

#### 3.2 Basis of preparation

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Fund’s annual financial statements as at 31 December 2023. In addition, result for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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

# SAB INVEST SAUDI INDUSTRIAL COMPANIES EQUITY FUND

## Notes to unaudited interim condensed financial statements (continued)

At 30 June 2024

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

#### 3.3 New standards and amendments to standards

##### 3.3.1 *New standards and amendments adopted by the Fund*

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the Fund's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2024.

Standard, interpretation and amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOC
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA



# SAB INVEST SAUDI INDUSTRIAL COMPANIES EQUITY FUND

## Notes to unaudited interim condensed financial statements (continued)

At 30 June 2024

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

#### 3.3 New standards and amendments to standards (continued)

##### 3.3.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	Annual periods beginning on or after 1 January 2025
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	IASB amended to the requirements related to: setting financial liabilities using an electronic payment system; assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)-linked features.	Annual periods beginning on or after 1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences	Annual periods beginning on or after 1 January 2027

# SAB INVEST SAUDI INDUSTRIAL COMPANIES EQUITY FUND

## Notes to unaudited interim condensed financial statements (continued)

At 30 June 2024

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

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

	30 June 2024 (Unaudited)			
	% of Market value	Cost SR	Market value SR	Unrealised gain (loss), net SR
<i>Investments in equities (by sector)</i>				
Capital Goods	40.4	17,329,128	23,362,009	6,032,881
Materials	20.7	9,278,467	11,931,716	2,653,249
Food & Beverages	12.2	6,515,073	7,070,542	555,469
Energy	10.7	6,226,758	6,159,706	(67,052)
Utilities	6.9	3,549,538	4,007,735	458,197
Pharma, Biotech & Life Science	6.8	2,873,152	3,911,696	1,038,544
Health Care Equipment & Services	2.3	1,079,341	1,322,693	243,352
<b>Total</b>	<b>100.0</b>	<b>46,851,457</b>	<b>57,766,097</b>	<b>10,914,640</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.

	31 December 2023 (Audited)			
	% of Market value	Cost SR	Market value SR	Unrealised gain (loss), net SR
<i>Investments in equities (by sector)</i>				
Materials	25.4	10,589,839	13,707,179	3,117,340
Energy	24.2	10,261,149	13,051,569	2,790,420
Food & Beverages	19.6	9,285,107	10,593,103	1,307,996
Capital Goods	16.0	4,244,262	8,642,447	4,398,185
Pharma, Biotech & Life Science	8.5	4,089,790	4,591,558	501,768
Commercial & Professional Services	4.8	1,667,705	2,624,118	956,413
Consumer Staples Distribution & Retail	1.5	718,498	815,196	96,698
<b>Total</b>	<b>100.0</b>	<b>40,856,350</b>	<b>54,025,170</b>	<b>13,168,820</b>

### 5. TRANSACTIONS WITH RELATED PARTIES

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

Related parties of the Fund comprise SAB Invest (being the Fund Manager, the Fund Board and administrator of the Fund), mutual funds managed by the Fund Manager and The Saudi Awwal Bank ("SAB") (being significant shareholder of the Fund Manager).

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

# SAB INVEST SAUDI INDUSTRIAL COMPANIES EQUITY FUND

## Notes to unaudited interim condensed financial statements (continued)

At 30 June 2024

### 5. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related party	Nature of transactions	Amount of transactions		Balance	
		2024 SR	2023 SR	2024 SR	2023 SR
SAB Invest (Fund Manager)	Fund management fee (including VAT)	544,711	921,196	96,089	163,155
	Administration fee	22,430	27,094	5,015	8,695
	Board member fee	8,289	9,918	26,892	18,603
Saudi Awwal Bank (Parent of fund manager)	Cash and cash equivalent balance			-	-

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.70% per annum, and administrator fee up to 0.10% calculated on the net asset value at each valuation date.

There are no units in issue at 30 June 2024 held by the employees of the Fund Manager (31 December 2023: zero units). The independent directors are entitled to remuneration for their services at rates determined by the Fund's terms and conditions in respect of attending meetings of the board of directors or meetings of the Fund. Independent director's fees are currently up to SR 25,000.

### 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

### 7. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

As at 30 June 2024 (Unaudited)	Within 12 months SR	After 12 months SR	No Fixed Maturity SR	Total SR
<b>ASSETS</b>				
Cash and cash equivalents	303,510	-	-	303,510
Financial assets at FVTPL	-	-	57,766,097	57,766,097
Receivables against sold securities	1,638,926	-	-	1,638,926
Dividend Receivable	27,065	-	-	27,298
Receivable and advances	233	-	-	-
<b>TOTAL ASSETS</b>	<b>1,969,734</b>	<b>-</b>	<b>57,766,097</b>	<b>59,735,831</b>
<b>LIABILITIES</b>				
Payable against purchased securities	1,321,302	-	-	1,321,302
Management fee payable	96,089	-	-	96,089
Accrued expenses and other payables	129,401	-	-	129,401
<b>TOTAL LIABILITIES</b>	<b>1,546,792</b>	<b>-</b>	<b>-</b>	<b>1,546,792</b>

## SAB INVEST SAUDI INDUSTRIAL COMPANIES EQUITY FUND

### Notes to unaudited interim condensed financial statements (continued)

At 30 June 2024

#### 7. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

<i>As at 31 December 2023 (Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>No Fixed Maturity SR</i>	<i>Total SR</i>
<b>ASSETS</b>				
Cash and cash equivalents	13,274,883	-	-	13,274,883
Financial assets at FVTPL	-	-	54,025,170	54,025,170
Receivables and advances	233	-	-	233
<b>TOTAL ASSETS</b>	<u>13,275,116</u>	<u>-</u>	<u>54,025,170</u>	<u>67,300,286</u>
<b>LIABILITIES</b>				
Management fee payable	163,155	-	-	163,155
Accrued expenses and other payables	123,972	-	-	123,972
<b>TOTAL LIABILITIES</b>	<u>287,127</u>	<u>-</u>	<u>-</u>	<u>287,127</u>

#### 8. LAST VALUATION DAY

The last valuation day of the period was 30 June 2024 (year ended 31 December 2023: 31 December 2023).

#### 9. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements were approved by the Fund's management on 7 Safar 1446H (corresponding to 11 August 2024).