

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal -
Formerly)
(Managed by Alkhabeer Capital Company)

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) AND THE
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026**

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
AND THE INDEPENDENT AUDITOR’S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

INDEX	PAGE
Independent auditor’s review report on the interim condensed financial information	1
Interim condensed statement of financial position	2
Interim condensed statement of profit or loss and other comprehensive income	3
Interim condensed statement of changes in equity attributable to unitholders	4
Interim condensed statement of cash flows	5
Notes to the interim condensed financial information	6 - 15

Independent Auditor's Review Report on the Interim Condensed Financial Information

To: The Unitholders

Alkhabeer Growth and Income Fund – Expressed in Saudi Riyal

(Alkhabeer Growth and Income Traded Fund – Expressed in Saudi Riyal – Formerly)

(Managed by Alkhabeer Capital Company)

Jeddah, Kingdom of Saudi Arabia

Introduction

We have reviewed the interim condensed statement of financial position of **Alkhabeer Growth and Income Fund - Expressed in Saudi Riyal** (Alkhabeer Growth and Income Traded Fund – Expressed in Saudi Riyal - Formerly) (“**The Fund**”) managed by **Alkhabeer Capital Company** (“**The Fund Manager**”) as of June 30, 2026, and interim condensed financial statement of profit or loss and other comprehensive income, changes in equity attributable to unitholders and cash flows for the six-month period then ended, and other explanatory notes. The Fund manager is responsible for the preparation and presentation of this interim condensed financial information in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Fund" that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing ('ISAs'), that are endorsed in the Kingdom of Saudi Arabia and accordingly, there can be no assurance that we will become aware of all significant matters that may be identified during any audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information are not prepared, in all material respects, in accordance with the International Accounting Standard No. (34) as endorsed in the Kingdom of Saudi Arabia.

Emphasis of Matter

We draw attention to note 1, which describes the Fund's delisting from the Saudi Exchange, its conversion to a public open-ended fund effective June 29, 2026, and the change of its name to Alkhabeer Growth and Income Fund. Our conclusion is not modified in respect of this matter.

Crowe Solutions for Professional Consulting




Mohammad A. AlHajri
License No. 705

27 Safar 1448H (corresponding to August 10, 2026)
Al-Khobar, Kingdom of Saudi Arabia

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2026
(Expressed in Saudi Riyal)

		As of June 30, 2026 (Unaudited)	As of December 31, 2025 (Audited)
	Note		
ASSETS			
Current assets			
Cash at banks		53,075,117	17,807,282
Dividends receivable		322,210	404,522
Prepaid expenses and other debit balances		246,879	39,535
Total current assets		53,644,206	18,251,339
Non-current assets			
Financial assets at fair value through profit or loss	7	708,260,748	687,976,751
Total assets		761,904,954	706,228,090
LIABILITIES AND EQUITY ATTRIBUTABLE TO UNITHOLDERS			
LIABILITIES			
Current liabilities			
Due to related parties	6	3,881,132	4,459,781
Accrued expenses and other credit balances		241,633	494,404
Total liabilities		4,122,765	4,954,185
EQUITY ATTRIBUTABLE TO UNITHOLDERS		757,782,189	701,273,905
Total liabilities and equity attributable to unitholders		761,904,954	706,228,090
Number of units issued (unit)		63,876,285	63,876,285
Equity per unit (SR per unit)		11.8633	10.9786

The accompanying notes from (1) to (16) form an integral part of these interim condensed financial information.

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

		FOR THE SIX-MONTH PERIOD ENDED JUNE 30,	
		2026	2025
	Note	(Unaudited)	(Unaudited)
<u>Revenues</u>			
Dividends from financial assets at fair value through profit or loss		4,445,372	5,774,648
Realized gains from financial assets at fair value through profit or loss		6,171,796	10,573,658
Unrealized gains from financial assets at fair value through profit or loss		71,383,037	37,463,782
Profit from operations		82,000,205	53,812,088
<u>Expenses</u>			
Management fees	6	(3,250,783)	(3,617,731)
Administration and custody fees	6	(742,880)	(898,451)
Other expenses		(1,181,470)	(586,349)
Total expenses		(5,175,133)	(5,102,531)
Foreign currency (loss) / gains		(1,153,901)	112,359
Profit for the period		75,671,171	48,821,916
Other comprehensive income		-	-
Total comprehensive income for the period		75,671,171	48,821,916

The accompanying notes from (1) to (16) form an integral part of these interim condensed financial information.

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO UNITHOLDERS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

		FOR THE SIX-MONTH PERIOD ENDED JUNE 30,	
		2026	2025
	Note	(Unaudited)	(Unaudited)
Equity attributable to unitholders			
Equity attributable to unitholders at the beginning of the period		701,273,905	801,042,318
Purchase of treasury units during the period	8	-	(25,303,100)
Dividends	13	(19,162,887)	-
Comprehensive income for the period		75,671,171	48,821,916
Equity attributable to unitholders at the end of the period		757,782,189	824,561,134

Summary of transactions in units for the period as follows:

		FOR THE SIX-MONTH PERIOD ENDED JUNE 30,	
		2026	2025
		(Unaudited)	(Unaudited)
Number of units at the beginning of the period (unit)		63,876,285	69,218,360
Number of units redeemed for treasury units during the period (unit)	8	-	(2,837,275)
Number of units at the end of the period (unit)		63,876,285	66,381,085

The accompanying notes from (1) to (16) form an integral part of these interim condensed financial information.

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

	FOR THE SIX-MONTH PERIOD ENDED JUNE 30,	
	2026	2025
	(Unaudited)	(Unaudited)
<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Profit for the period	75,671,171	48,821,916
Adjustments:		
Realized gains from financial assets at fair value through profit or loss	(6,171,796)	(10,573,658)
Unrealized gains from financial assets at fair value through profit or loss	(71,383,037)	(37,463,782)
Changes in operating assets and liabilities:		
Dividends receivable	82,312	(417,164)
Prepaid expenses and other debit balances	(207,344)	1,352,768
Due to related parties	(578,649)	(220,456)
Accrued expenses and other credit balances	(252,771)	4,026
Net change in financial assets at fair value through profit or loss	57,270,836	40,415,234
Net cash provided by operating activities	54,430,722	41,918,884
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Purchase of treasury units	-	(25,303,100)
Dividends paid	(19,162,887)	-
Net cash used in financing activities	(19,162,887)	(25,303,100)
Net change in cash at banks	35,267,835	16,615,784
Cash at banks at the beginning of the period	17,807,282	21,861,015
Cash at banks at the end of the period	53,075,117	38,476,799

The accompanying notes from (1) to (16) form an integral part of these interim condensed financial information.

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

1. THE FUND AND ITS ACTIVITIES

Alkhabeer Growth and Income Fund (Alkhabeer Growth and Income Traded Fund – Formerly) (“The Fund”) was a closed-ended Sharia-compliant investment traded fund that was established in accordance with the applicable laws and regulations of the Kingdom of Saudi Arabia and it is subject to Capital Market Authority (CMA) control and supervision. The Fund was established on April 27, 2022 and managed by Alkhabeer Capital Company (“Alkhabeer Capital” or the “Fund Manager”), for the benefit of the Fund’s unitholders. The Fund is ultimately supervised by the Fund’s Board of Directors and Albilad Capital Company acts as the Custodian of the Fund.

The objective of the investment Fund is an appreciation of the Fund’s net asset value through its long-term investments and generate periodic income for investors from the dividend distributions of the companies in which the Fund invests, in addition to part of the capital appreciation resulting from the growth of market value of the securities invested in. This is achieved by investing in a diversified portfolio of global stocks, public and private equity funds, initial public offerings of companies, and private placements, along with cash and cash equivalents.

The incorporation of the Fund was approved by the (“CMA”) on February 7, 2022 (corresponding to Rajjab 6, 1443H), and was posted on the Saudi Exchange on April 27, 2022 (corresponding to Ramadhan 26, 1443H).

In dealing with the unitholders, the Fund Manager considers the Fund as an independent entity. Accordingly, the Fund prepares its own financial statements. In addition, unitholders are considered owners of the Fund’s assets and distributions are made in proportion to their shares in the total number of outstanding units.

The term of the Fund was 99 years since the date of listing the units in the Saudi Exchange.

The Fund is subject to the Sharia Board’s guidelines for investments and transactions.

During the period ended 30 June 2026, the Fund’s unitholders approved the delisting of the Fund from the Saudi Exchange as a closed-ended investment fund and its conversion into an open-ended investment fund. During the reporting period, the Fund also obtained the approval of the CMA for the proposed delisting and conversion, in accordance with the applicable laws and regulations.

June 17, 2026 was designated as the final trading day for the Fund’s units on the Saudi Exchange (Tadawul), and trading in the Fund’s units was suspended with effect from June 18, 2026. The Fund’s conversion from a listed closed-ended fund to a public open-ended fund became effective on June 29, 2026.

The unitholders also approved the amendments to the Fund’s Terms and Conditions, which included removing the Fund’s fixed term and changing its name to Alkhabeer Growth and Income Fund.

2. REGULATORY AUTHORITY

The Fund was established and its units are offered based on the Investment Funds Regulations approved by the CMA, Resolution number 1-219-2006 dated 03/12/1427H (“Investment Funds Regulations”) issued by Royal Decree No. M/30 dated 2/6/1424H and amended by the CMA Board Resolution number 2-22-2021 dated 12/7/1442H (corresponding to 24/2/2021) to be updated with the rapid developments and changes regarding the regulations and rules of CMA in the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION INTERIM CONDENSED FINANCIAL INFORMATION

Basis of compliance

This interim condensed financial information has been prepared in accordance with the International Accounting Standard (34) “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

3. BASIS OF PREPARATION INTERIM CONDENSED FINANCIAL INFORMATION - CONTINUED

Basis of compliance - Continued

The interim condensed financial information do not include all of the information and disclosures required for the annual financial statements, and should be read in conjunction with the Fund's annual financial statements for the year ended December 31, 2025. The International Accounting Standard (34) states that the objective of preparing the interim condensed financial information is to update on the annual financial statements. Therefore, the International Accounting Standard (34) require less disclosure in the interim condensed financial information to be reported compared to the disclosure required by the International Financial Reporting Standards ("IFRS") in the annual financial statements.

Basis of measurement

This interim condensed financial information of the Fund has been prepared on a historical cost basis except for the items that are measured at fair value, present value, net realizable value, and replacement cost in line with the accrual basis of accounting and going concern basis.

Functional and presentation currency

The accompanying interim condensed financial information are presented in Saudi Riyal, which is the Fund's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New standards and a number of amendments to existing standards effective from January 1, 2026, but these do not have a material impact on the interim condensed financial information. The accounting policies used in preparing the condensed interim financial information are consistent with those used in preparing the Fund's annual financial statements for the year ended on December 31, 2025.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim financial information in conformity with International Financial Reporting Standard ("IFRS") as endorsed in the Kingdom of Saudi Arabia requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgment in the process of applying the Funds' accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Actual results may differ from these estimates. Significant areas where management has used estimates, assumptions or exercised judgement are as follows:

Going concern

During the period, the Fund's unitholders and the CMA approved the delisting of the Fund from Tadawul and its conversion to an open-ended fund. Trading in the Fund's units was suspended effective June 18, 2026. Notwithstanding these structural changes, management is satisfied that the Fund has the resources to continue as a going concern, based on: (i) total assets of SR 761.9 million and cash of SR 53.1 million against total liabilities of SR 4.1 million; (ii) total comprehensive income of SR 75.7 million during the period; (iii) uninterrupted investment operations; and (iv) the conversion having been conducted with full CMA approval and unitholder consent. Management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Accordingly, this interim condensed financial information continues to be prepared on the going concern basis.

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS - CONTINUED

Fair value measurement

The fair value represents the amount that may be collected from selling an asset or paying it to transfer a liability between informed parties under the same terms of business with others. The fair value measurement depends on the following conditions:

- The principal market for assets or liabilities, or
- The most advantageous market for assets and liabilities in the absence of a primary market, or
- Use discounted cash flows in the absence of a principal market or the most advantageous market.

Assets or liabilities measured at fair value

- Separate assets or liabilities.
- A group of assets or a group of liabilities or a group of assets and liabilities.
- A set of accounting policies and notes that require calculating the fair value of financial and non-financial assets and liabilities.
- The Fund uses market inputs that are observable as far as possible when measuring the fair value of assets and liabilities.

The Fund determines fair value using valuation techniques. The Fund also uses the following levels which reflect the importance of inputs used in determining fair value:

- Level 1: quoted prices (unadjusted) in an active market for similar assets or liabilities.
- Level 2: valuation methods based on inputs other than quoted prices included in Level 1 that can be observable for assets and liabilities, directly or indirectly.
- Level 3: valuation techniques that use inputs that have an important impact on fair value but are not based on observable inputs.

The Fund recognizes transfers between fair value levels at the end of the reporting period at the same time as the change occurs, the Fund Manager believes that its estimates and assumptions used are reasonable and sufficient.

Classification of redeemable units

Effective 29 June 2026, following the Fund's conversion from a listed closed-ended fund to a public open-ended investment fund and the related amendments to the Fund's Terms and Conditions, management assessed the classification of the Fund's redeemable units in accordance with IAS 32 Financial Instruments: Presentation. Management concluded that, although the units are redeemable at the option of the holders, they satisfy all of the conditions set out in IAS 32.16A–16D for puttable instruments and therefore continue to be classified as equity. Accordingly, the conversion did not result in any change in the classification of the Fund's units, and they continue to be presented as equity attributable to unitholders.

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

6. RELATED PARTIES TRANSACTIONS AND BALANCES

Transactions with related parties represent management fees, administrative fees, custody fees, compensations to Independent Fund Board Members, and expenses incurred on behalf of the fund.

a) Due to related parties comprise of the following:

Related parties	Nature of relationship	Nature of transaction	Amount of transactions		Balance	
			For the six-month period ended June 30,		As of June 30, 2026	As of December 31, 2025
			2026 (Unaudited)	2025 (Unaudited)	(Unaudited)	(Audited)
Alkhabeer Capital Company	Fund Manager	Management fees	3,250,783	3,617,731		
		Administrative fees	609,522	678,324		
		Payments	(4,388,782)	(4,553,408)	3,860,305	4,388,782
Albilad Capital Company	Custodian	Custody fees	133,358	220,127		
		Payments	(183,357)	(183,057)	-	49,999
Fund Board of Directors	Board of Directors	Compensations to Independent Fund Board Members	20,827	20,827		
		Payments	(21,000)	(21,000)	20,827	21,000
Growth I for Investments Company (a one-person company)	Subsidiary to Custodian	Expenses paid on behalf of the company	4,340	4,870		
		Payments	(8,750)	(4,870)	-	-
					3,881,132	4,459,781

b) All transactions with related parties are approved by the Fund Manager.

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal

(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(Expressed in Saudi Riyal)

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Saudi Arabian Stock Exchange “Tadawul” Investment	London Stock Exchange Investment - USD	US Market – “NASDAQ” Investment	US Market – “NYSE” Investment	Paris Stock Exchange “Euronext” Investment	London Stock Exchange Investment	Swiss Stock Exchange Investment	Tokyo Stock Exchange Investment	Total
June 30, 2026 (Unaudited)									
Balance at the beginning of the period	17,628,349	74,666,900	226,148,700	225,399,096	57,929,541	70,680,756	-	15,523,409	687,976,751
Additions	5,437,620	-	39,981,750	58,372,511	1,216,547	-	30,325,888	-	135,334,316
Disposals	(3,230,520)	(17,252,480)	(50,840,178)	(69,658,584)	(24,331,909)	(12,134,814)	(10,869,478)	(4,287,189)	(192,605,152)
Unrealized (losses) / gains	(374,108)	1,880,772	33,003,936	29,466,441	6,094,830	256,013	2,411,004	(1,355,851)	71,383,037
Realized gains / (losses)	89,736	(1,097,278)	3,473,277	3,937,043	(357,827)	(147,045)	63,792	210,098	6,171,796
Balance at the end of the period	19,551,077	58,197,914	251,767,485	247,516,507	40,551,182	58,654,910	21,931,206	10,090,467	708,260,748

	Saudi Arabian Stock Exchange “Tadawul” Investment	London Stock Exchange Investment - USD	US Market – “NASDAQ” Investment	US Market – “NYSE” Investment	Paris Stock Exchange “Euronext” Investment	London Stock Exchange Investment	Swiss Stock Exchange Investment	Tokyo Stock Exchange Investment	Total
December 31, 2025 (Audited)									
Balance at the beginning of the year	15,659,257	65,936,276	283,577,674	231,712,431	56,328,090	63,720,946	58,914,674	6,311,469	782,160,817
Additions	19,313,588	8,169,084	22,618,713	92,379,871	21,288,780	25,146,762	-	15,941,350	204,858,148
Disposals	(15,639,013)	(13,814,421)	(137,394,216)	(144,072,661)	(23,736,343)	(33,567,344)	(60,867,832)	(11,597,907)	(440,689,737)
Unrealized (losses) / gains	(2,926,723)	12,427,110	45,327,044	36,195,039	4,834,958	14,080,980	-	3,716,651	113,655,059
Realized gains / (losses)	1,221,240	1,948,851	12,019,485	9,184,416	(785,944)	1,299,412	1,953,158	1,151,846	27,992,464
Balance at the end of the year	17,628,349	74,666,900	226,148,700	225,399,096	57,929,541	70,680,756	-	15,523,409	687,976,751

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

8. TREASURY UNITS

On July 19, 2023, Alkhabeer Capital announced that the fund unitholders' meeting had approved the repurchase of 50% of its units for the purpose of cancellation at a price not exceeding the fund's net asset value. The purchases were to be conducted through the Saudi Stock Exchange ("Tadawul") and not through private transactions, with the repurchase process spanning twelve months from the approval date. During 2024, a total of 30,025,851 units were canceled, representing 30% of the fund's units. On August 29, 2024, Alkhabeer Capital announced that the fund unitholders' meeting had approved an additional repurchase of 20% of its units for cancellation, under the same conditions-at a price not exceeding the fund's net asset value, through Tadawul, and not via private transactions. This new repurchase program was also set to last twelve months from the approval date.

The value of the treasury units repurchased during the period ended June 30, 2026, amounted to SR nil (December 31, 2025: SR 49.4 million for 5.3 million treasury units).

The repurchased fund units (treasury units) were recorded at market price at the time of each purchase and were recognized as a deduction from the equity attributable to unitholders.

The following is the movement of treasury units during the period / year:

	For the six-month period ended June 30, 2026 (Unaudited)	For the year ended December 31, 2025 (Audited)
Number of treasury units at the beginning of the period / year	-	755,789
Additional from purchase treasury units of the period / year	-	5,342,075
Cancellation of units of the period / year	-	(6,097,864)
Number of treasury units outstanding at the end of the period / year	-	-

9. SHARIA COMPLIANCE

The Fund operates in accordance with the provisions of Sharia law, as determined by the Sharia advisor. The Sharia advisor has reviewed the Fund's public offering document and confirmed that it is in compliance with Sharia provisions.

10. LAST VALUATION DATE

The last date for valuation during the period is June 30, 2026.

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

11. RISK MANAGEMENT

The Fund's activities are exposed to various financial risks, including market risks (including currency risk, fair value and cash flow interest rate risk, and price risk), credit risk, and liquidity risk. The Fund's overall risk management program focuses on the unpredictability of financial market conditions and seeks to mitigate potential adverse effects on the Fund's financial performance.

a) Market risk

Market risks are:

• Currency risk

Currency risk is the risk that fair values or cash flows will fluctuate due to changes in foreign exchange rates. The Fund is exposed to this risk through its diversified global equity portfolio, which spans seven international exchanges across five foreign currencies. The SR is pegged to the USD at SR 3.75, limiting direct translation risk on USD positions; however, this assumption is subject to policy risk. The Fund recognised a net foreign currency loss of SR 1,153,901 during the period ended June 30, 2026 (2025: gain of SR 112,359).

• Interest rate risk

Interest rate risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in interest rates. The Fund is not exposed to interest rate risk as it has not taken any credit facilities as of the date of the condensed interim financial information.

• Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market prices, other than those arising from foreign currency risk. The Fund Manager seeks to invest in rated money market instruments to mitigate the risk of any potential decline in their value.

The Fund Manager also seeks to diversify the Fund's investments across different sectors, financial instruments issued by different issuers, and various financial markets, while ensuring compliance with applicable due diligence requirements.

b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	As of June 30, 2026 (Unaudited)	As of December 31, 2025 (Audited)
Cash at banks	53,075,117	17,807,282
Dividends receivable	322,210	404,522
Financial assets at fair value through profit or loss	708,260,748	687,976,751
	761,658,075	706,188,555

The credit risk on financial assets is managed as follow:

- Cash and cash equivalents are placed with sound credit rating; and
- The Fund limits its exposure to credit risk by placing funds only with listed equity securities having a stable growth and strong financial positions. Investments of surplus funds are made in a safe and secure manner while ensuring optimum return and liquidity. Given these high credit ratings, strict regulations by the securities exchanges and no history of default, Fund does not expect any counterparty to fail to meet its obligations and accordingly, credit risk is considered very low.

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

11. RISK MANAGEMENT - CONTINUED

c) Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in meeting its financial obligations as they fall due. Following the Fund's conversion to an open-ended public investment fund during the period, the Fund Manager manages liquidity risk by maintaining adequate cash balances and liquid investments to meet the Fund's obligations and potential redemption requests. Redemption requests are accepted on each dealing day and are settled no later than the fifth business day following the applicable valuation day. Where redemption requests exceed available liquidity, unexecuted requests are carried forward to the next dealing day and are given priority over new redemption requests. Management continuously monitors the Fund's liquidity position and believes that the Fund has sufficient liquidity to meet its obligations and expected redemption requirements as at the reporting date.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+1 system for NASDAQ (US) and NYSE (US) while T+2 system for other exchanges, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the first or second day after the sale, while redemptions have to be paid within a period of working days from the date of the redemption request.

June 30, 2026 (Unaudited)	Book value	Less than one year	More than one year
<u>Non-derivative financial liabilities</u>			
Due to related parties	3,881,132	3,881,132	-
Accrued expenses and other credit balances	241,633	241,633	-
	4,122,765	4,122,765	-
December 31, 2025 (Audited)	Book value	Less than one year	More than one year
<u>Non-derivative financial liabilities</u>			
Due to related parties	4,459,781	4,459,781	-
Accrued expenses and other credit balances	494,404	494,404	-
	4,954,185	4,954,185	-

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

12. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Book value		Fair Value			
	Recorded at Amortized Cost	Recorded at Fair Value	Level (1)	Level (2)	Level (3)	Total
<u>June 30, 2026 (Unaudited)</u>						
<u>Financial Assets</u>						
Cash and cash equivalents	53,075,117	-	-	-	-	53,075,117
Dividends receivable	322,210	-	-	-	-	322,210
Financial assets at fair value through profit or loss	-	708,260,748	708,260,748	-	-	708,260,748
	53,397,327	708,260,748	708,260,748	-	-	761,658,075
<u>Financial Liabilities</u>						
Due to related parties	3,881,132	-	-	-	-	3,881,132
Accrued expenses and other credit balances	241,633	-	-	-	-	241,633
	4,122,765	-	-	-	-	4,122,765
	Book value		Fair Value			
	Recorded at Amortized Cost	Recorded at Fair Value	Level (1)	Level (2)	Level (3)	Total
<u>December 31, 2025 (Audited)</u>						
<u>Financial Assets</u>						
Cash and cash equivalents	17,807,282	-	-	-	-	17,807,282
Dividends receivable	404,522	-	-	-	-	404,522
Financial assets at fair value through profit or loss	-	687,976,751	687,976,751	-	-	687,976,751
	18,211,804	687,976,751	687,976,751	-	-	706,188,555
<u>Financial Liabilities</u>						
Due to related parties	4,459,781	-	-	-	-	4,459,781
Accrued expenses and other credit balances	494,404	-	-	-	-	494,404
	4,954,185	-	-	-	-	4,954,185

ALKHABEER GROWTH AND INCOME FUND – Expressed in Saudi Riyal
(ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal - Formerly)
(Managed by Alkhabeer Capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(Expressed in Saudi Riyal)

13. DIVIDENDS

The Board of Directors of the Fund approved to distribute of dividends for 63,876,285 outstanding units during the period ended June 30, 2026 as follows:

Approval Date	Dividends for the period	Amount per Unit	Total in Saudi Riyals
January 22, 2026	July 1, 2025 to December 31, 2025	0.30	<u>19,162,887</u>

14. GEOGRAPHICAL OPERATING SEGMENTS

The Fund achieves continuous investment returns, and all Fund operations are carried out inside and outside the Kingdom of Saudi Arabia. The Fund's operations are monitored by the Fund's management under one sector. The following is a statement of geographic information for local (inside Kingdom of Saudi Arabia) and foreign investments (United States, United Kingdom, France, Switzerland, Japan) as well as investment income during the period:

June 30, 2026 (Unaudited)	Inside Kingdom	Outside Kingdom	Total
Financial assets	<u>19,551,077</u>	<u>688,709,671</u>	<u>708,260,748</u>
Realized gains from financial assets at fair value through profit or loss	89,736	6,082,060	6,171,796
Unrealized (losses) / gains from financial assets at fair value through profit or loss	<u>(374,108)</u>	<u>71,757,145</u>	<u>71,383,037</u>
June 30, 2025 (Unaudited)	Inside Kingdom	Outside Kingdom	Total
Financial assets	<u>24,770,412</u>	<u>765,012,611</u>	<u>789,783,023</u>
Realized gains from financial assets at fair value through profit or loss	3,110,791	7,462,867	10,573,658
Unrealized (losses) / gains from financial assets at fair value through profit or loss	<u>(2,265,846)</u>	<u>39,729,628</u>	<u>37,463,782</u>

15. SUBSEQUENT EVENTS

On July 28, 2026, the Fund's Board of Directors approved a dividend distribution for 47,201,877 unit for the period from January 1, 2026 to June 30, 2026 amounting to SR 0.2 per unit, totaling SR 9,440,375, to the unitholders.

16. APPROVAL OF INTERIM CONDENSED FINANCIAL INFORMATION

This interim condensed financial information has been approved by the Fund Board of Directors for the period ended June 30, 2026 on 23 Safar 1448H (August 6, 2026).