

ALINMA IPO FUND
(Managed by Alinma Investment Company)

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

AND INDEPENDENT AUDITOR'S REVIEW REPORT

Alinma IPO Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

To the Unitholders of Alinma IPO Fund
(Managed by Alinma Investment Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Alinma IPO Fund ("the Fund") being managed by Alinma Investment Company (the "Fund Manager") as at 30 June 2024, and the related interim condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six-month period then ended, including 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")" that is 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" that is endorsed in the Kingdom of Saudi Arabia. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

for Alluhaid & Alyahya Chartered Accountants



Saleh A. Alyahya
Certified Public Accountant
License number 473

Riyadh: 2 Safar 1446H
(6 August 2024)



Alinma IPO Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	30 June 2024 (Unaudited) SR	<i>31 December 2023 (Audited) SR</i>
ASSETS			
Bank balances		35,431,169	11,592,129
Financial assets at fair value through profit or loss ("FVTPL")	5	210,907,166	207,375,338
Receivable against disposal of financial assets at FVTPL	5	2,295,206	-
Dividend receivable		162,648	-
TOTAL ASSETS		248,796,189	218,967,467
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued expenses and other current liabilities		1,067,638	804,304
Payable against purchase of financial assets at FVTPL	5	-	8,275,171
TOTAL LIABILITIES		1,067,638	9,079,475
EQUITY			
Net assets attributable to unitholders of redeemable units		247,728,551	209,887,992
TOTAL LIABILITIES AND EQUITY		248,796,189	218,967,467
Redeemable units in issue (numbers)		12,182,754	11,205,211
Net asset value attributable to unitholders (SR)		20.33	18.73

The accompanying notes from 1 to 10 form an integral part of these interim condensed financial statements.

Alinma IPO Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

		<i>Unaudited</i>	
		<i>For the six-month period ended</i>	
	<i>Notes</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
		<i>SR</i>	<i>SR</i>
INCOME			
Income from financial assets at FVTPL	5	15,979,379	32,838,163
Dividend income		3,286,252	3,389,500
TOTAL INCOME		<u>19,265,631</u>	<u>36,227,663</u>
OPERATING EXPENSES			
Management fees	6	(1,377,016)	(923,265)
Brokerage fees	6	(108,412)	(89,924)
Other expenses		(202,787)	(238,387)
TOTAL OPERATING EXPENSES		<u>(1,688,215)</u>	<u>(1,251,576)</u>
NET INCOME FOR THE PERIOD		<u>17,577,416</u>	<u>34,976,087</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>17,577,416</u></u>	<u><u>34,976,087</u></u>

The accompanying notes from 1 to 10 form an integral part of these interim condensed financial statements.

Alinma IPO Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>
	SR	SR
OPERATING ACTIVITIES		
Net income for the period	17,577,416	34,976,087
<i>Adjustments for:</i>		
Income from financial assets at FVTPL	(15,979,379)	(32,838,163)
Dividend income	(3,286,252)	(3,389,500)
	<u>(1,688,215)</u>	<u>(1,251,576)</u>
<i>Changes in operating assets and liabilities:</i>		
Decrease (increase) in financial assets at FVTPL	12,447,551	(6,441,354)
Increase in receivable against disposal of financial assets at FVTPL	(2,295,206)	-
Increase in redemption payable	-	133,600
Increase in accrued expenses and other current liabilities	263,334	93,367
Decrease in payable against purchase of financial assets at FVTPL	(8,275,171)	-
	<u>452,293</u>	<u>(7,465,963)</u>
Dividend received	3,123,604	3,070,316
Net cash flows from (used in) operating activities	<u>3,575,897</u>	<u>(4,395,647)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of units	26,772,453	4,040,327
Payments against redemption of units	(6,509,310)	(1,744,592)
Net cash flows from financing activities	<u>20,263,143</u>	<u>2,295,735</u>
NET INCREASE (DECREASE) IN BANK BALANCE	23,839,040	(2,099,912)
Bank balance at beginning of the period	<u>11,592,129</u>	<u>7,119,734</u>
BANK BALANCE AT END OF THE PERIOD	<u>35,431,169</u>	<u>5,019,822</u>

The accompanying notes from 1 to 10 form an integral part of these interim condensed financial statements.

Alinma IPO Fund
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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>
	SR	SR
EQUITY AT THE BEGINNING OF THE PERIOD	209,887,992	148,774,633
Comprehensive income:		
Net income for the period	17,577,416	34,976,087
Other comprehensive income for the period	-	-
Total comprehensive income for the period	17,577,416	34,976,087
	227,465,408	183,750,720
CHANGE FROM UNIT TRANSACTIONS		
Proceeds from issuance of units	26,772,453	4,040,327
Payments against redemption of units	(6,509,310)	(1,744,592)
Net change from unit transactions	20,263,143	2,295,735
EQUITY AT THE END OF THE PERIOD	247,728,551	186,046,455
REDEEMABLE UNIT TRANSACTIONS		

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

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>
	Units	Units
UNITS AT THE BEGINNING OF THE PERIOD	11,205,211	10,944,026
Units issued during the period	1,300,725	265,320
Units redeemed during the period	(323,182)	(118,665)
Net increase in units	977,543	146,655
UNITS AT THE END OF THE PERIOD	12,182,754	11,090,681

The accompanying notes from 1 to 10 form an integral part of these interim condensed financial statements.

Alinma IPO Fund (Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2024

1 INCORPORATION AND ACTIVITIES

Alinma IPO Fund, (the “Fund”), is an open-ended Shariah compliant public fund created under an agreement between Alinma Investment Company (the “Fund Manager”), a subsidiary of Alinma Bank (the “Bank”) and investors in the Fund (the “Unitholders”), in accordance with Capital Market Authority (“CMA”) regulations.

The main objective of the fund is to achieve long term capital appreciation by investing in Shariah compliant Initial Public Offerings of Saudi Companies, rights issues and rump offering as well as Shariah-Compliant Saudi Companies that have been listed in the Saudi Stock Exchanges for 5 years or less. The Fund may also invest in Shariah-Compliant funds with similar objectives. All income is reinvested in the Fund and is reflected in the unit price.

The CMA granted approval for the establishment of the Fund in its letter number 15/6751/5/1 dated 4 Rajab 1436H (corresponding to 23 April 2015). The Fund commenced its operations on 29 Rajab 1436H (corresponding to 18 May 2015).

The Fund is managed by Alinma Investment Company (the "Fund Manager"), a closed joint stock company with commercial registration number 1010269764, licensed by the Capital Market Authority of the Kingdom of Saudi Arabia (“CMA”) under license number 09134-37.

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

The Fund has appointed Riyadh Capital Company (the “Custodian”) to act as its custodian. The fees of the custodian are paid by the Fund.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the CMA detailing requirements for all Investment Funds within the Kingdom of Saudi Arabia.

3 BASIS OF PREPARATION

3.1 *Statement of compliance*

These interim condensed financial statements for the six-months period ended 30 June 2024 of the Fund have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organisation for Chartered and Professional Accountants (“SOCPA”).

The Fund Manager has prepared the interim condensed financial statements on the basis that the Fund will continue to operate as a going concern. The Fund Manager considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all 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.

3.2 *Basis of measurement*

These interim condensed financial statements have been prepared under historical cost convention, except for the financial assets at FVTPL which are measured at fair value.

The interim condensed statement of financial position is stated broadly in order of liquidity. All assets and liabilities are current in nature.

3.3 *Functional and presentation currency*

These interim condensed financial statements are presented in Saudi Riyal (SR), which is also the functional currency of the Fund. All financial information has been rounded off to the nearest SR, unless otherwise stated.

Alinma IPO Fund
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2024

3 BASIS OF PREPARATION (continued)

3.4 Use of judgements, estimates and assumptions

In preparing these interim condensed financial statements, the Fund Manager has made the judgement, estimates, and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of 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. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Fund.

The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

Amendment to IFRS 16 – Lease on sale and leaseback

In September 2022, the International Accounting Standards Board ("IASB") issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Fund's interim condensed financial statements.

Amendments to IAS 7 and IFRS 7 on Supplier finance agreements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

The amendments had no impact on the Fund's interim condensed financial statements.

Amendments to IAS 1 – Classification of liabilities as Current vs Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Fund's interim condensed financial statements.

Alinma IPO Fund
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2024

5 FINANCIAL ASSETS AT FVTPL

Financial assets classified at FVTPL comprised of investment in equity instruments of entities listed and registered in the Kingdom of Saudi Arabia and a public fund registered in the Kingdom of Saudi Arabia.

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Cost (SR)	Market value (SR)	Cost (SR)	Market value (SR)
Listed equities (i)	178,165,627	210,786,097	176,722,692	207,257,511
Investment in a public fund	101,867	121,069	101,867	117,827
	<u>178,267,494</u>	<u>210,907,166</u>	<u>176,824,559</u>	<u>207,375,338</u>

(i) Listed equities industry concentration of the investment portfolio of the Fund is disclosed in the table below:

Industry group	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost SR	Fair value SR	% of market value	Cost SR	Fair value SR	% of market value
Energy	38,158,887	37,334,681	17.71	20,643,749	23,399,442	11.29
Utilities	21,099,437	31,663,784	15.02	21,747,297	29,149,402	14.06
Health Care equipment and Services	22,593,363	25,026,523	11.87	10,270,300	12,106,636	5.84
Software and services	9,084,668	24,222,884	11.49	10,816,562	24,205,658	11.68
Real Estate Management and Development	20,199,964	20,586,713	9.77	31,705,636	28,955,596	13.97
Consumer Services	21,850,775	19,868,098	9.43	17,531,736	15,927,538	7.68
Transportation	13,516,543	15,067,893	7.15	15,569,413	15,673,955	7.56
Food and Beverages	8,695,615	9,582,260	4.55	14,981,214	12,462,279	6.01
Diversified Financials	4,950,975	7,950,809	3.77	5,807,695	6,047,276	2.92
Materials	5,108,854	6,821,342	3.24	4,962,370	7,469,524	3.60
Consumer Discretionary Distribution and Retail	6,203,010	5,889,218	2.79	3,525,296	3,527,613	1.70
Real Estate Investment Trusts	4,691,850	3,950,538	1.87	4,691,850	4,546,403	2.19
Media and Entertainment	2,011,686	2,821,354	1.34	8,654,302	12,977,607	6.28
Commercial and Professional Services	-	-	-	5,815,272	10,808,582	5.22
	<u>178,165,627</u>	<u>210,786,097</u>	<u>100.00</u>	<u>176,722,692</u>	<u>207,257,511</u>	<u>100.00</u>

As of 30 June 2024, there are receivable against disposal of financial assets at FVTPL amounting to SR 2,295,206 (31 December 2023: nil). Furthermore, as at 31 December 2023, there were payable against purchase of financial assets at FVTPL amounting to SR 8,275,171.

The income from financial assets at FVTPL during the period amounted to SR 15,979,379 (30 June 2023: SR 32,838,163).

Alinma IPO Fund
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2024

6 RELATED PARTY TRANSACTIONS AND BALANCES

In ordinary course of activities, the Fund transacts business with related parties. The related party transactions are governed by limit set by the terms and conditions. All related party transactions are disclosed to the Fund Board of Directors.

Related parties of the Fund include the Fund Manager, the Bank, entities related to the Bank and the Fund Manager and any party that has the ability to control other party or exercise significant influence over the party in making financial or operational decisions.

a) Management fees

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager charges management fee at the rate of 1.00% that are calculated twice a week based on the net assets of the Fund.

b) Brokerage expense

The Fund Manager charges 0.0015% brokerage fees on the purchase and sales transactions of financial assets at FVTPL.

c) Board of Directors remuneration

The Board of Directors are allowed maximum remuneration of SR 24,000 for all board members in one year. During the period, Board remuneration was charged amounting to SR 5,967 for 3 directors (30 June 2023: SR 5,951 for 3 directors).

6.1 Related party transactions

The following are the details of the significant transactions with related parties during the period:

Name of related party	Nature of relationship	Nature of transactions	Unaudited	
			For the six-month period ended 30 June 2024 SR	30 June 2023 SR
Alinma Investment Company	Fund Manager	Management fees	(1,377,016)	(923,265)
		Brokerage fees	(108,412)	(89,924)
Fund Board	Members	Fund Board fees	(5,967)	(5,951)

6.2 Related party balances

Period/year end balances receivable (payable) arising from transactions with related parties are as follows:

Name of related party	Nature of balances	30 June 2024	31 December 2023
		(Unaudited) SR	(Audited) SR
Alinma Bank	Cash at bank	2,717,927	731,954
Alinma Investment Company	Management fees payable	(213,894)	(176,932)

(i) As at 30 June 2024, Alinma Bank held 7,755,925 units (31 December 2023: 7,755,925 units) of the Fund.

Alinma IPO Fund
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2024

7 FAIR VALUE MEASUREMENT

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the interim condensed statement of financial position.

<i>As at 30 June 2024 (Unaudited)</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
Financial assets at FVTPL (note 5)	<u>210,786,097</u>	<u>121,069</u>	<u>-</u>	<u>210,907,166</u>
<i>As at 31 December 2023 (Audited)</i>				
Financial assets at FVTPL (note 5)	<u>207,257,511</u>	<u>117,827</u>	<u>-</u>	<u>207,375,338</u>

The value of financial assets at FVTPL amounting to SR 210,786,097 (31 December 2023: SR 207,257,511) are based on quoted market prices of the equities listed on Tadawul and are therefore classified within Level 1 of the fair value hierarchy.

The value of financial assets at FVTPL amounting to SR 121,069 (31 December 2023: SR 117,827) are based on the net assets value of the mutual fund and therefore classified within Level 2 of the fair value hierarchy.

Management believes that the fair value of all other financial assets and liabilities are at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. These are all classified within level 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

8 LAST VALUATION DATE

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

9 SUBSEQUENT EVENTS

There were no events subsequent to the reporting date which require adjustments of or disclosure in the interim condensed financial statements or notes thereto.

10 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund Manager on 2 Safar 1446H (corresponding to 6 August 2024).