

**ALINMA IPO FUND**

(Managed by Alinma Investment Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS  
(UNAUDITED)  
FOR SIX MONTHS PERIOD ENDED 30 JUNE 2021 AND  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**ALINMA IPO FUND**

Managed by Alinma Investment Company

**INTERIM CONDENSED FINANCIAL STATEMENTS FOR SIX MONTHS PERIOD ENDED  
30 JUNE 2021****Table of contents**

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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  
Riyadh, Kingdom of Saudi Arabia

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Alinma IPO Fund** ("the Fund"), managed by Alinma Investment Company (the "Fund Manager") as of 30 June 2021 and the related interim condensed statements of profit or loss and other comprehensive income, changes in net assets attributable to unitholders and cash flows for six months then ended, and a summary of significant accounting policies and other explanatory notes. Management 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 interim financial statements 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 Dr. Mohamed Al-Amri & Co.



Gihad Al-Amri  
Certified Public Accountant  
Registration No. 362



Riyadh, on: 8 Muharram 1443 (H)  
Corresponding to: 16 August 2021 (G)

**ALINMA IPO FUND**

Managed by Alinma Investment Company

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

		<b>30 June 2021</b>	31 December 2020
	<b><u>Note</u></b>	<b>(Unaudited)</b>	(Audited)
<b>ASSETS</b>			
Cash and cash equivalents	7	<b>377,796</b>	1,531,348
Investments at fair value through profit or loss ("FVTPL")	8	<b>99,972,640</b>	86,379,386
<b>TOTAL ASSETS</b>		<b>100,350,436</b>	87,910,734
<b>LIABILITIES</b>			
Redemptions payable		-	13,968
Accrued management fee and other liabilities	9	<b>319,679</b>	1,350,078
<b>TOTAL LIABILITIES</b>		<b>319,679</b>	1,364,046
<b>Net assets value attributable to unitholders</b>		<b>100,030,757</b>	85,546,688
<b>Units in issue (Numbers)</b>		<b>8,668,944</b>	9,067,113
<b>Net assets value per unit</b>	12	<b>11.53</b>	9.55

The accompanying notes from 1 to 14 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****FOR SIX MONTHS PERIOD ENDED 30 JUNE 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

	<b>Note</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b><u>INCOME</u></b>			
Dividend income		<b>1,437,952</b>	784,464
Net fair value change in investments at FVTPL	8.3	<b>16,993,107</b>	(12,080,926)
		<b>18,431,059</b>	(11,296,462)
<b><u>EXPENSES</u></b>			
Management fee	10	<b>(529,963)</b>	(400,886)
Brokerage fee	10	<b>(29,711)</b>	(32,450)
Others		<b>(106,553)</b>	(87,118)
		<b>(666,227)</b>	(520,454)
<b>Profit / (loss) for the period</b>		<b>17,764,832</b>	(11,816,916)
Other comprehensive income		-	-
<b>Total comprehensive income / (loss) for the period</b>		<b>17,764,832</b>	(11,816,916)

The accompanying notes from 1 to 14 form an integral part of these interim condensed financial statements.

**ALINMA IPO FUND**

Managed by Alinma Investment Company

**INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS****FOR THE SIX MONTHS ENDED 30 JUNE 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

	<b>30 June 2021</b>	30 June 2020
<b>Net assets at 1 January (Audited)</b>	<b>86,546,688</b>	89,252,907
Total comprehensive income / (loss) for the period	<b>17,764,832</b>	(11,816,916)
<b>Changes from unit transactions</b>		
Units issued	<b>1,616,610</b>	244,572
Units redeemed	<b>(5,897,373)</b>	(1,887,483)
<b>Net change from unit transactions</b>	<b>(4,280,763)</b>	(1,642,911)
<b>Net assets at 30 June (Unaudited)</b>	<b>100,030,757</b>	75,793,080

**UNITS TRANSACTIONS**

Transactions in units for the period ended 30 June are summarized as follows:

	<b>2021</b>	2020
	<b>Units</b>	
Units at 1 January (Audited)	<b>9,067,113</b>	9,909,557
Units issued	<b>151,792</b>	53,232
Units redeemed	<b>(549,961)</b>	(895,676)
Net change in units	<b>(398,169)</b>	(842,444)
<b>Units at 30 June (Unaudited)</b>	<b>8,668,944</b>	9,067,113

The accompanying notes from 1 to 14 form an integral part of these interim condensed financial statements.

**ALINMA IPO FUND**

Managed by Alinma Investment Company

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR SIX MONTHS ENDED 30 JUNE 2021**

(All amounts are in Saudi Riyals unless otherwise stated)

	<b>Note</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b><u>Cash flows from operating activities</u></b>			
Profit / (Loss) for the period		<b>17,764,832</b>	(11,816,916)
<b>Adjustment for:</b>			
Unrealized fair value (gain) / loss on investments at FVTPL	8.3	<b>(16,020,108)</b>	11,192,797
Dividend income		<b>(1,437,952)</b>	(784,464)
		<b>306,772</b>	(1,408,583)
<b>Changes in operating assets and liabilities:</b>			
Investments at FVTPL – net		<b>2,426,854</b>	9,945,338
Accrued management fee and other liabilities		<b>(1,030,399)</b>	32,864
Redemptions payable		<b>(13,968)</b>	-
<b>Cash generated from operations</b>		<b>1,689,259</b>	8,569,619
Dividend received		<b>1,437,952</b>	664,544
<b>Net cash generated from operating activities</b>		<b>3,127,211</b>	9,234,163
<b><u>Cash flows from financing activities</u></b>			
Proceeds from units issued		<b>1,616,610</b>	244,572
Payments on redemption of units		<b>(5,897,373)</b>	(1,827,944)
<b>Net cash used in financing activities</b>		<b>(4,280,763)</b>	(1,583,372)
<b>Net change in cash and cash equivalents</b>		<b>(1,153,552)</b>	7,650,791
Cash and cash equivalents at 1 January		<b>1,531,348</b>	957,569
<b>Cash and cash equivalents at 30 June</b>	7	<b>377,796</b>	8,608,360

The accompanying notes from 1 to 14 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 FOR THE SIX MONTHS ENDED 30 JUNE 2021**

(All amounts in Saudi Riyals unless otherwise stated)

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#### **1. GENERAL**

Alinma IPO Fund, (the “Fund”), is an open-ended fund created under an agreement between Alinma Investment Company (the “Fund Manager”), a subsidiary of Alinma Bank (the “Bank”) and investors (the “Unitholders”) in the Fund, in accordance with Shariah rules issued by the Shariah board of the Fund Manager.

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

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund. Furthermore, the Unitholders are considered to be the beneficial owners of the assets of the Fund.

#### **Covid-19 update**

A novel strain of coronavirus (Covid-19) was first identified at the end of December 2019 and subsequently declared as a pandemic in March 2020 by the World Health Organization (WHO). Covid-19 continues to spread all regions around the world, including the Kingdom of Saudi Arabia and resulted in travel restrictions and curfew in the cities and hence a slowdown of economic activities and shutdown of many sectors at global and local levels.

The Fund’s performance is indirectly affected due to the effect of Covid-19 on economic activities and sectors performances. This is reflected in the values of different assets of the fund.

The Fund does not foresee a going concern issue due to the above for at least 12 months after the reporting period. The Fund will further continue to evaluate the nature and extent of the impact on its operations and financial results.

#### **2. REGULATORY FRAMEWORK**

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by CMA on 3 Dhul Hija 1427H (corresponding to 24 December 2006G) as amended by the resolution of CMA board on 16 Sha’aban 1437H (corresponding to 23 May 2016G). It is further amended by the resolution of CMA board on 12 Rajab 1442H (corresponding to 24 February 2021G).

#### **3. BASIS OF PREPARATION**

##### **3.1 Statement of compliance**

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

The Fund has also complied with Investment Funds Regulations published by CMA and Fund’s terms and conditions, information memorandum and key information summary (collectively hereinafter referred to as “Terms and Conditions”) with respect to preparation and presentation of these interim condensed financial statements.



**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

(All amounts in Saudi Riyals unless otherwise stated)

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**3.1 Statement of compliance (continued)**

The disclosures made in these interim condensed financial statements have been limited in accordance with the requirements of IAS 34. These 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 annual audited financial statements of the Fund for the year ended 31 December 2020 ("last annual financial statements").

**3.2 Basis of measurement**

These interim condensed financial statements have been prepared under the historical cost convention, except for the investments at fair value through profit or loss that are measured at fair value.

Furthermore, these interim condensed financial statements are prepared, using the accrual basis of accounting and are based on the going concern basis.

**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 presented has been rounded to the nearest SR unless stated otherwise.

**3.4 Use of estimates and judgments**

In preparing these interim condensed financial statements, management 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 management 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.

The Fund has reviewed the key sources of estimation uncertainties disclosed in the last annual financial statements against the backdrop of Covid-19 pandemic. Management believes that all sources of estimation uncertainty remain similar to those disclosed in the last annual financial statements. The Fund will continue to monitor the situation, and any changes required will be reflected in future reporting periods.

**4. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

There are no new standards issued; however, there are number of amendments to standards that are effective from 1 January 2021 and have been explained in the last annual financial statements, but they do not have a material effect on the interim condensed financial statements.

**5. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies, applied in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the last annual financial statements.

**6. MANAGEMENT FEE, CUSTODY FEE AND OTHER EXPENSES**

The Fund's expenses include management fee, custody fee and other expenses. These expenses are recognised on accrual basis and are based on predetermined rates as specified in the Terms and Conditions of the Fund. Detailed policies are as follows:

*Management fee*

The Fund Manager charges the Fund, on every valuation day, a management fee at an annual rate of 1.0% (31 December 2020: 1.0%) of the Fund's net assets value.

**ALINMA IPO FUND**

Managed by Alinma Investment Company

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
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(All amounts in Saudi Riyals unless otherwise stated)

*Custody fee*

The Fund accrues custody fee expense at an annual rate of 0.025% (31 December 2020: 0.025%) of the net assets value. The Fund also accrue additional custody fee of SR 25 per transaction.

*Other expenses*

The Fund Manager recovers from the Fund any other expense incurred on behalf of the Fund as per Terms and Conditions of the fund.

**7. CASH AND CASH EQUIVALENTS**

		<b>30 June 2021</b>	31 December 2020
	<b>Note</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Cash at bank - current account	10	<b>201,750</b>	29,969
Cash in investment account	10	<b>176,046</b>	1,501,379
		<b>377,796</b>	1,531,348

The cash and cash equivalents are held in the name of Fund Manager on behalf of the Fund without any restriction.

**8. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

		<b>30 June 2021</b>	31 December 2020
		<b>(Unaudited)</b>	<b>(Audited)</b>
Listed equity securities (Note 8.1)		<b>99,862,757</b>	86,270,116
Public funds (Note 8.2)		<b>109,883</b>	109,270
		<b>99,972,640</b>	86,379,386

The geographical dispersion of above investments in financial instruments classified at fair value through profit or loss is within the Kingdom of Saudi Arabia.

**8.1** The classification of listed equity securities into industry groups specified by Tadawul is summarized as follows:

		<b>30 June 2021</b>		31 December 2020
		<b>(Unaudited)</b>		<b>(Audited)</b>
<b>Industry group</b>	<b>%</b>	<b>SR</b>	<b>%</b>	<b>SR</b>
Energy	<b>18</b>	<b>18,825,604</b>	19	16,651,740
Health care equipment and Services	<b>15</b>	<b>14,794,733</b>	13	11,098,792
Material	<b>14</b>	<b>14,025,661</b>	9	7,335,589
Consumer services	<b>11</b>	<b>11,556,328</b>	18	15,496,155
Telecommunication services	<b>10</b>	<b>9,608,566</b>	-	-
Real estate management and development	<b>10</b>	<b>9,492,496</b>	7	6,247,495
Transportation	<b>9</b>	<b>8,810,543</b>	6	5,155,806
Capital goods	<b>7</b>	<b>6,988,073</b>	5	4,739,246
Commercial and professional services	<b>6</b>	<b>5,760,753</b>	15	12,664,011
Software and services	<b>-</b>	<b>-</b>	8	6,881,282
	<b>100</b>	<b>99,862,757</b>	100	86,270,116

**ALINMA IPO FUND**

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

(All amounts in Saudi Riyals unless otherwise stated)

**8.2** It represents investment in units of Alinma Saudi Riyal Liquidity Fund (open-ended fund) managed by Alinma Investment Company. The primary activity of this fund is to invest in Shariah compliant Murabaha contracts.

**8.3 NET FAIR VALUE GAIN ON INVESTMENTS AT FAIR VALUE THROUGH  
PROFIT OR LOSS**

	<b>30 June 2021 (Unaudited)</b>	<b>31 June 2020 (Audited)</b>
Unrealized fair value gain / (loss)	<b>16,020,108</b>	(888,129)
Realized fair value gain / (loss)	<b>972,999</b>	(11,192,797)
	<b>16,993,107</b>	(12,080,926)

**9. ACCRUED MANAGEMENT FEE AND OTHER LIABILITIES**

	<b>30 June 2021 (Unaudited)</b>	<b>31 December 2020 (Audited)</b>
Accrued Management fee (Note 9)	<b>81,071</b>	2,365
Accrued custody fees	<b>50,753</b>	53,179
Other liabilities	<b>187,855</b>	1,294,534
	<b>319,679</b>	1,350,078

**10. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

In the ordinary course of its activities, the Fund transacts with related parties. Related party transactions are in accordance with the Terms and Conditions of the Fund. All the related party transactions are approved by the Fund Board. Related parties comprise the Fund Board, Fund Manager, Alinma Bank (the parent Company of the Fund Manager) and entities related to the Bank and the Fund Manager.

The Unitholders' account included units held by related parties as follows:

	<b>Units (number)</b>	<b>Net asset value SR</b>	<b>% of total Units</b>
Units owned by Alinma Bank			
<b>30 June 2021 (Unaudited)</b>	<b>7,755,925</b>	<b>89,495,451</b>	<b>89%</b>
31 December 2020 (Audited)	7,755,925	86,546,688	86%

**Transactions:**

Significant transactions with related parties in the ordinary course of Fund's business included in the interim condensed financial statements are summarized below:

<b>Related party</b>	<b>Relationship</b>	<b>Transactions</b>	<b>For six months ended</b>	
			<b>30 June 2021 (Unaudited)</b>	<b>30 June 2020 (Unaudited)</b>
Alinma Investment Company	Fund Manager	Management fee	<b>(529,963)</b>	(400,886)
		Brokerage expense	<b>(29,711)</b>	(32,450)
Fund Board Members	Members of Fund Board	Fund board fee	<b>(12,000)</b>	(12,000)

**ALINMA IPO FUND**

Managed by Alinma Investment Company

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

(All amounts in Saudi Riyals unless otherwise stated)

**10. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)****Balances:**

Balances with the related parties included in the interim condensed statement of financial position are as follows:

<b>Related party</b>	<b>Relationship</b>	<b>Balance</b>	<b>30 June 2021 (Unaudited)</b>	<b>31 December 2020 (Audited)</b>
Alinma Investment Company	Fund Manager	Management fee Payable	<b>(81,071)</b>	(2,365)
		Cash in investment account	-	1,501,379
Alinma Bank	Parent Company of Fund Manager	Cash at bank	<b>201,750</b>	29,969

**11. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchies. This grouping is determined based on the lowest level of significant inputs used in the fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equity instruments. The Fund does not adjust the quoted price for these instruments.

There were no transfers between the levels during the period.

The following table analyses, within the fair value hierarchy, the Fund's assets and liabilities (by class) measured at fair value.

**Financial assets at fair value through profit or loss**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>30 June 2021 (Unaudited)</b>	<b>99,862,757</b>	<b>109,883</b>	-
31 December 2020 (Audited)	86,270,116	109,270	-

**Classification of financial instruments**

	<b>30 June 2021 (Unaudited)</b>	<b>31 December 2020 (Audited)</b>
<b>Financial assets at amortized cost</b>		
Cash and cash equivalents	<b>377,796</b>	1,513,348

**Financial assets at fair value through profit or loss**

Investments in listed equity securities	<b>99,862,757</b>	86,379,386
Investments in public fund	<b>109,883</b>	108,567

**ALINMA IPO FUND**

Managed by Alinma Investment Company

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

(All amounts in Saudi Riyals unless otherwise stated)

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**12. UNIT VALUE RECONCILIATION**

In accordance with CMA circular no. 1/6/7218/17 dated 13 Rabi Al-Thani 1439H (corresponding to December 31, 2017), the CMA Board decided on 10 Rabi Al-Thani 1439H (corresponding to 28 December 2017) to restrict the recording of expected credit losses (ECL) calculated in accordance with IFRS 9 only for the purpose of financial reporting.

All financial assets held at amortized cost were consider for ECL as on 30 June 2021 and 31 December 2020. However, the impact of ECL on these assets was immaterial. Accordingly, these financial assets do not contain any ECL adjustment and therefore reconciliation of the unit price calculated according to the applicable financial reporting framework to the unit price calculated for the purpose of unit transactions is not required.

**13. LAST VALUATION DAY**

The last valuation day for the purpose of the preparation of these interim condensed financial statements is 30 June 2021 (2020: 31 December 2020).

**14. APPROVAL OF THE FINANCIAL STATEMENTS**

These interim condensed financial statements were approved by Fund Manager on 8 Muharram 1443H (corresponding to 16 August 2021G).

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