

ALINMA IPO FUND

(Managed by Alinma Investment Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

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 2023

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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 2023, and the related interim condensed statements of comprehensive income, cash flows and changes in equity for the six-month period then ended, and a summary of significant accounting policies and other 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 Al Yahya
Certified Public Accountant
License number 473

Riyadh: 19 Muharram 1445H
(6 August 2023)



Alinma IPO Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	<i>Note</i>	30 June 2023 (Unaudited) SR	31 December 2022 (Audited) SR
ASSETS			
Cash and cash equivalents		5,019,822	7,119,734
Financial assets at fair value through profit or loss ("FVTPL")	5	181,551,108	142,271,591
Dividend receivable		324,043	4,859
TOTAL ASSETS		186,894,973	149,396,184
LIABILITIES AND EQUITY			
LIABILITIES			
Redemptions payable		147,052	13,452
Accrued expenses and other liabilities		701,466	608,099
TOTAL LIABILITIES		848,518	621,551
EQUITY			
Net assets attributable to unitholders of redeemable units		186,046,455	148,774,633
TOTAL LIABILITIES AND EQUITY		186,894,973	149,396,184
Redeemable units in issue (numbers)		11,090,681	10,944,026
Net asset value attributable to unitholders (SR)		16.78	13.59

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

Alinma IPO Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

		<i>Unaudited</i>	
		<i>For the six-month period ended</i>	
		<i>30 June</i>	<i>30 June</i>
		<i>2023</i>	<i>2022</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
INCOME			
Gain from financial assets at FVTPL		32,838,163	11,706,173
Dividend income		3,389,500	2,022,213
TOTAL INCOME		36,227,663	13,728,386
OPERATING EXPENSES			
Management fees	6	(923,265)	(818,546)
Brokerage expense	6	(89,924)	(82,546)
Other expenses		(238,387)	(150,596)
TOTAL OPERATING EXPENSES		(1,251,576)	(1,051,688)
NET INCOME FOR THE PERIOD		34,976,087	12,676,698
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		34,976,087	12,676,698

The accompanying notes from 1 to 9 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</i>	<i>30 June</i>
	<i>2023</i>	<i>2022</i>
	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Net income for the period	34,976,087	12,676,698
<i>Adjustments for:</i>		
Gain on financial assets at FVTPL	(32,838,163)	(11,706,173)
Dividend income	(3,389,500)	(2,022,213)
	(1,251,576)	(1,051,688)
<i>Changes in operating assets and liabilities:</i>		
Increase in financial assets at FVTPL	(6,441,354)	(11,764,662)
Increase (decrease) in accrued redemption payable	133,600	(46,804)
Increase in accrued expenses and other liabilities	93,367	73,213
	(7,465,963)	(12,789,941)
Dividend received	3,070,316	1,921,403
Net cash flows used in operating activities	(4,395,647)	(10,868,538)
FINANCING ACTIVITIES		
Proceeds from issuance of units	4,040,327	20,061,272
Payments against redemption of units	(1,744,592)	(11,612,450)
Net cash flows from financing activities	2,295,735	8,448,822
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,099,912)	(2,419,716)
Cash and cash equivalents at beginning of the period	7,119,734	5,322,098
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,019,822	2,902,382

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

Alinma IPO Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2023</i>	<i>2022</i>
	<i>SR</i>	<i>SR</i>
EQUITY AT THE BEGINNING OF THE PERIOD	148,774,633	123,885,642
Comprehensive income:		
Net income for the period	34,976,087	12,676,698
Other comprehensive income for the period	-	-
Total comprehensive income for the period	34,976,087	12,676,698
	183,750,720	136,562,340
CHANGE FROM UNIT TRANSACTIONS		
Proceeds from issuance of units	4,040,327	20,061,272
Payments against redemption of units	(1,744,592)	(11,612,450)
Net change from unit transactions	2,295,735	8,448,822
EQUITY AT THE END OF THE PERIOD	186,046,455	145,011,162

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</i>	<i>30 June</i>
	<i>2023</i>	<i>2022</i>
	<i>Units</i>	<i>Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	10,944,026	10,277,020
Units issued during the period	265,320	1,482,354
Units redeemed during the period	(118,665)	(861,900)
Net increase in units	146,655	620,454
UNITS AT THE END OF THE PERIOD	11,090,681	10,897,474

The accompanying notes from 1 to 9 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 2023

1 INCORPORATION AND ACTIVITIES

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 in the Fund (the "Unitholders"), 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 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 Capital Market Authority ("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 2023 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 2022.

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

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 2023

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 SIGNIFICANT ACCOUNTING POLICIES

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 2022 except for the adoption of new standards effective as of 1 January 2023. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not effective yet.

Following amendments apply for the first time in 2023, but do not have an impact on the interim condensed financial statements of the Fund.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts*, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. IFRS 17 replaces IFRS 4 *Insurance Contracts* that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance, and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the interim condensed financial statements of the Fund but are expected to affect the accounting policy disclosures in the Fund's annual financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

Alinma IPO Fund
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2023

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.

	30 June 2023 (Unaudited)		31 December 2022 (Audited)	
	Cost	Market	Cost	Market
	(SR)	value	(SR)	value
		(SR)		(SR)
Listed equities (i)	148,554,159	181,435,917	137,665,525	142,158,608
Investment in a public fund	112,955	115,191	101,867	112,983
	148,667,114	181,551,108	137,767,392	142,271,591

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

Industry group	30 June 2023 (Unaudited)			31 December 2022 (Audited)		
	Cost	Fair value	% of market	Cost	Fair value	% of market
	SR	SR	value	SR	SR	value
Utilities	18,307,699	26,196,371	14.44	29,727,583	35,804,081	25.19
Energy	22,650,775	24,829,243	13.68	20,386,813	19,891,792	13.99
Real Estate						
Management and						
Development	27,457,394	24,677,667	13.60	14,850,234	12,314,213	8.66
Software and services	8,878,886	22,596,610	12.45	10,322,886	15,478,362	10.89
Food and Beverages	11,630,850	14,102,367	7.77	7,017,709	9,357,840	6.58
Materials	7,635,879	9,898,519	5.46	7,334,910	7,010,567	4.93
Commercial and						
Professional						
Services	9,294,684	9,765,240	5.38	5,245,824	3,554,736	2.5
Diversified Financials	7,354,354	9,050,162	4.99	5,958,581	6,835,646	4.81
Media and						
entertainment	7,234,452	8,830,046	4.87	-	-	-
Consumer Services	7,322,040	8,772,617	4.84	11,348,813	9,426,712	6.63
Transportation	5,318,893	7,259,688	4.00	12,692,393	11,269,994	7.93
Pharma, Biotech and						
life science	6,485,459	5,913,180	3.26	-	-	-
REIT	3,043,560	4,539,977	2.50	4,700,000	4,691,822	3.3
Retailing	4,691,850	4,377,496	2.41	3,032,563	2,625,444	1.85
Health Care equipment						
and Services	1,247,384	626,734	0.35	1,247,384	564,365	0.4
Food and staples						
retailing	-	-	-	913,888	900,116	0.63
Capital Goods	-	-	-	2,885,944	2,432,918	1.71
	148,554,159	181,435,917	100.00	137,665,525	142,158,608	100.00

Alinma IPO Fund
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2023

6 RELATED PARTY TRANSACTIONS AND BALANCES

In ordinary course of activities, the Fund transacts business with related parties. The related party transactions are in accordance with the terms and conditions of the Funds. All related party transactions are approved by the Fund's Board of Directors.

Related parties of the Fund include the Fund's Board of Directors, 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 5,951 for 3 directors.

6.1 Related party transactions

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

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>Unaudited</i> <i>For the six-month period ended</i>	
			<i>30 June</i> <i>2023</i> <i>SR</i>	<i>30 June</i> <i>2022</i> <i>SR</i>
Alinma Investment Company	Fund Manager	Management fees	(923,265)	(818,546)
		Brokerage fees	(89,924)	(82,546)
Fund Board	Members of Fund Board			
		Fund Board fee	(5,951)	(12,000)

6.2 Related party balances

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

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Balance</i>	<i>30 June</i> <i>2023</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December</i> <i>2022</i> <i>(Audited)</i> <i>SR</i>
Alinma Bank	Parent Company of Fund Manager	Cash and cash equivalents	402,111	212,630
Alinma Investment Company	Fund Manager	Management fees payable	(156,287)	(122,932)

(i) As at 30 June 2023, Alinma Bank held 7,755,925 units (31 December 2022: 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 2023

7 FAIR VALUE MEASUREMENT

Financial assets consists of cash and cash equivalents and financial assets at FVTPL. Financial liabilities consists of redemptions payable and other liabilities.

The following table shows the fair values of financial assets, including their levels in the fair value hierarchy:

<i>As at 30 June 2023</i> <i>(Unaudited)</i>	<i>Level 1</i> <i>SR</i>	<i>Level 2</i> <i>SR</i>	<i>Level 3</i> <i>SR</i>	<i>Total</i> <i>SR</i>
Financial assets at FVTPL (note 5)	181,435,917	115,191	-	181,551,108
<i>As at 31 December 2022</i> <i>(Audited)</i>	<i>Level 1</i> <i>SR</i>	<i>Level 2</i> <i>SR</i>	<i>Level 3</i> <i>SR</i>	<i>Total</i> <i>SR</i>
Financial assets at FVTPL (note 5)	142,158,608	112,983	-	142,271,591

The value of financial assets at FVTPL amounting to SR 181,435,917 (31 December 2022: SR 142,158,608) 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 115,191 (31 December 2022: SR 112,983) 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 2023 (31 December 2022: 31 December 2022).

9 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund Manager on 16 Muharram 1445H (corresponding to 3 August 2023).