

**ALINMA SAUDI GOVERNMENT SUKUK ETF FUND
(MANAGED BY ALINMA CAPITAL COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

AND INDEPENDENT AUDITOR'S REVIEW REPORT

Alinma Saudi Government Sukuk ETF Fund
(Managed by Alinma Capital Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

To the Unitholders of Alinma Saudi Government Sukuk ETF Fund
(Managed by Alinma Capital Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Alinma Saudi Government Sukuk ETF Fund ("the Fund") being managed by Alinma Capital Company (the "Fund Manager") as at 30 June 2025, 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 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.

Report on Other Legal and Regulatory Requirements

The Fund has not complied with the following requirements, as at 30 June 2025 and 31 December 2024:

- 1- We draw attention to Note 2 of the interim condensed financial statements, which describe that the Fund was not in compliance with the Article 3(d) of the terms and conditions of the Fund, which requires that the Fund must hold not less than 90% of the Fund's investment in Sukuk issued by the Government of the Kingdom of Saudi Arabia.
- 2- As per Article 24 of the Investment Funds Regulations, the Fund Manager must appoint an independent custodian to take custody of the Fund's assets. However, the cash balance as at 30 June 2025 amounting to SR 14,433,543 (31 December 2024: SR 178,204,351) and investment balance as at 30 June 2025 amounting to SR 71,681,824 (31 December 2024: SR 96,563,614) was not held with the custodian of the Fund.

for Alluhaid & Alyahya Chartered Accountants



Saleh A. Alyahya
Certified Public Accountant
License number 473

Riyadh: 28 Muharram 1447H
(23 July 2025)



Alinma Saudi Government Sukuk ETF Fund
(Managed by Alinma Capital Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

		30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
	Notes		
ASSETS			
Bank balance	6	14,433,543	178,204,351
Financial assets at fair value through profit or loss ("FVTPL")	7	71,681,824	96,563,614
Financial assets at amortized cost	8	345,070,545	158,091,755
TOTAL ASSETS		431,185,912	432,859,720
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued management fees	9	218,940	121,906
Redemption fees payable	9	704,760	704,760
TOTAL LIABILITIES		923,700	826,666
EQUITY			
Net assets attributable to unitholders of redeemable units		430,262,212	432,033,054
TOTAL LIABILITIES AND EQUITY		431,185,912	432,859,720
Redeemable units in issue (numbers)		40,430,131	40,430,131
Net asset value per unit attributable to unitholders (SR) – IFRS		10.64	10.69
Net asset value per unit attributable to unitholders (SR) – Dealing		10.52	10.66

The accompanying notes from 1 to 15 form an integral part of these interim condensed financial statements.

Alinma Saudi Government Sukuk ETF Fund
(Managed by Alinma Capital 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 2025</i>	<i>30 June 2024</i>
		<i>SR</i>	<i>SR</i>
INCOME			
Special commission income	8	5,254,308	7,819,108
Income from financial assets at FVTPL	7	2,118,210	604,550
TOTAL INCOME		7,372,518	8,423,658
EXPENSES			
Management fees	9	(615,340)	(606,481)
Charge for expected credit loss allowance	8	(94,762)	(1,464)
Other income / (expenses)		57,069	(7,903)
TOTAL EXPENSES		(653,033)	(615,848)
NET INCOME FOR THE PERIOD		6,719,485	7,807,810
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		6,719,485	7,807,810

The accompanying notes from 1 to 15 form an integral part of these interim condensed financial statements.

Alinma Saudi Government Sukuk ETF Fund
(Managed by Alinma Capital 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 2025</i>	<i>SR</i>
	<i>SR</i>	<i>SR</i>
Operating activities		
Net income for the period	6,719,485	7,807,810
<i>Adjustments for:</i>		
Income from financial assets at FVTPL	(2,118,210)	(604,550)
Special commission income	(5,254,308)	(7,819,108)
Charge for expected credit loss allowance	94,762	1,464
	<u>(558,271)</u>	<u>(614,384)</u>
<i>Changes in operating assets and liabilities:</i>		
Decrease / (increase) in financial assets at FVTPL	26,905,238	(93,396,313)
(Increase) / decrease in financial assets at amortized cost	(183,358,281)	221,399,498
Increase in accrued management fee	97,034	1,189
	<u>(156,914,280)</u>	<u>127,006,886</u>
Special commission income received	1,633,799	8,272,271
	<u>(155,280,481)</u>	<u>135,279,157</u>
Financing activities		
Distributions	(8,490,327)	(3,234,410)
	<u>(8,490,327)</u>	<u>(3,234,410)</u>
Net (decrease) / increase in cash and cash equivalents	(163,770,808)	132,044,747
Cash and cash equivalents at beginning of the period	178,204,351	164,227
Cash and cash equivalents at end of the period	14,433,543	132,208,974

The accompanying notes from 1 to 15 form an integral part of these interim condensed financial statements.

Alinma Saudi Government Sukuk ETF Fund
(Managed by Alinma Capital Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June 2025</i>	<i>30 June 2024</i>
	<i>SR</i>	<i>SR</i>
EQUITY AT THE BEGINNING OF THE PERIOD	432,033,054	426,348,374
Comprehensive income:		
Net income for the period	6,719,485	7,807,810
Other comprehensive income for the period	-	-
Total comprehensive income for the period	6,719,485	7,807,810
Distributions (note 11)	(8,490,327)	(3,234,410)
	<u>430,262,212</u>	<u>430,921,774</u>
EQUITY AT THE END OF THE PERIOD	<u>430,262,212</u>	<u>430,921,774</u>
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 2025</i>	<i>30 June 2024</i>
	<i>Units</i>	<i>Units</i>
UNITS AT THE BEGINNING AND END OF THE PERIOD	<u>40,430,131</u>	<u>40,430,131</u>

The accompanying notes from 1 to 15 form an integral part of these interim condensed financial statements.

Alinma Saudi Government Sukuk ETF Fund

(Managed by Alinma Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2025

1 INCORPORATION AND ACTIVITIES

Alinma Saudi Government Sukuk ETF Fund (the "Fund") is a shariah compliant exchange-traded fund created under an agreement between Alinma Capital 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 Fund invests through the passive management of a basket of Shariah-approved local government sukuk issued by the government authorities in the Kingdom of Saudi Arabia ("KSA") and listed in the main market to generate a performance that mirrors the performance of the index and distribute periodic returns among others. Capital Market Authority ("CMA") granted approval for the establishment of the Fund on dated 6 Jumada-I 1441H (corresponding to 1 January 2020). The Fund commenced its operations on 28 Jumada Al-thani 1441H (corresponding to 22 February 2020).

The Unitholders of the Fund on 3 December 2024 approved to change the name of the Fund from Alinma Saudi Government Sukuk ETF Fund – Short Maturity to Alinma Saudi Government Sukuk ETF Fund, which became effective from 27 Rajab 1446H (corresponding to 27 January 2025).

The Fund is managed by Alinma Capital 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 Credit Suisse Saudi Arabia (the "Custodian") to act as its custodian.

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.

The Fund's investment in the Sukuk represent approximately 80% (31 December 2024: 36.5%) of the total assets as at the reporting date. Article 3(d) of the terms and conditions of the Fund requires that the Fund must hold not less than 90% of the Fund's investment in Sukuk issued by the Government of the Kingdom of Saudi Arabia. Consequently, the Fund was not in compliance with the aforementioned clause of the terms and conditions for the period ended 30 June 2025. The Fund Manager has reported the non-compliance to the CMA and is taking necessary steps to bring the Fund's investment allocation in compliance based on the availability of Sukuk meeting the Fund's investment criteria.

Also, the Fund Manager must appoint an independent custodian to take custody of the Fund's assets. However, the cash balance as at 30 June 2025 amounting to SR 14,433,543 (31 December 2024: SR 178,204,351) and investment balance as at 30 June 2025 amounting to SR 71,681,824 (31 December 2024: SR 96,563,614) was not held with the custodian of the Fund.

3 PRIMARY MARKET OPERATION (CREATION AND REDEMPTION OF UNITS)

The primary market operations are only carried out by the Fund Manager who is the authorized Market Maker. The creation and redemption activities are done on the basis of blocks of exchange traded fund (ETF) units (*for the Fund, one block equals 10,000 ETF units*), referred to as "creation unit and redemption unit" respectively. The process of creation and redemption of ETF units is on an in-kind basis whereby the Fund Manager and the Market Maker interexchange ETF units with the Fund and the basket of assets, through the custodian, for the purpose of creation and redemption of ETF units. The created units are then freely floated on Tadawul for public trading.

4 BASIS OF PREPARATION

4.1 Statement of compliance

These interim condensed financial statements for the six-months period ended 30 June 2025 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 doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Fund

Alinma Saudi Government Sukuk ETF Fund
(Managed by Alinma Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2025

4 BASIS OF PREPARATION (continued)

4.1 Statement of compliance (continued)

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 2024.

4.2 Basis of measurement

These interim condensed financial statements have been prepared under historical cost convention, except for the financial assets that are measured 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.

4.3 Financial 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.

4.4 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.

5 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 2024 except for the adoption of new amendments to standards effective as of 1 January 2025. Certain amendments apply for the first time in 2025, but do not have an impact on the interim condensed financial statements of the Fund.

a) NEW CURRENTLY EFFECTIVE REQUIREMENTS

<u>New accounting standards or amendments:</u>	<u>Effective date</u>
Lack of Exchangeability – Amendments to IAS 21	1 January 2025

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

Management anticipates that these new standards, interpretations and amendments will be adopted in the interim condensed financial statements for the period of initial application. Adoption of these new standards, interpretations and amendments may have no material impact on the interim condensed financial statements in the period of initial application

b) FORTHCOMING IFRS REQUIREMENTS

<u>New accounting standards or amendments:</u>	<u>Effective date</u>
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	
Annual Improvements to IFRS Accounting Standards – Volume 11	
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/ effective date deferred indefinitely

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

Alinma Saudi Government Sukuk ETF Fund
(Managed by Alinma Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2025

6 CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Bank balance	14,433,543	178,204,351
	14,433,543	178,204,351

7 FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL comprise of investment in public funds as detailed below, which are registered in the Kingdom of Saudi Arabia:

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Cost (SR)	Market value (SR)	Cost (SR)	Market value (SR)
Public Funds	67,521,920	71,681,824	93,396,313	96,563,614

The income from financial assets at FVTPL during the period amounted to SR 2,118,210 (30 June 2024: SR 604,550).

8 FINANCIAL ASSETS AT AMORTISED COST

The financial assets at amortised cost comprised of the following:

	30 June 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Sukuks (i)	339,913,468	156,460,425
Accrued special commission income	5,325,971	1,705,462
	345,239,439	158,165,887
Less: Allowance for expected credit loss	(168,894)	(74,132)
	345,070,545	158,091,755

- (i) The Fund has invested in Saudi Government Sukuks, which have fixed annual special commission income rate ranging from 2.6% to 5.6% (31 December 2024: 2.2% to 3.7%) and with a maturity of 1 year to 5 years (31 December 2024: 1 year to 5 years).

The remaining maturity of these sukuk are as follows:

	(Unaudited)		(Audited)	
	30 June 2025	% of value	31 December 2024	% of value
Within 1 year	11,586,000	3.41%	57,369,749	36.67%
Later than 1 year	328,327,468	96.59%	99,090,676	63.33%
	339,913,468	100%	156,460,425	100%

Alinma Saudi Government Sukuk ETF Fund
(Managed by Alinma Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2025

8 FINANCIAL ASSETS AT AMORTISED COST (continued)

8.1 Allowance for expected credit loss

The movement in allowance of ECL on financial assets at amortised cost during the period/year is as follows:

	<i>30 June 2025 (Unaudited) SR</i>	<i>31 December 2024 (Audited) SR</i>
At the beginning of the period/year	74,132	87,836
Charge (reversal of)	94,762	(13,704)
At the end of the period/year	168,894	74,132

9 RELATED PARTY TRANSACTIONS AND BALANCES

In the 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 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 0.25% per annum from the Fund's net assets after deducting dealing expenses, financing expenses and value-added taxes.

b) Board of Directors remuneration

The Board of Directors are allowed maximum remuneration of SR 50,000 for all board members in one year. No board remuneration was charged during the period.

9.1 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 For the six-month period ended</i>	
			<i>30 June 2025 SR</i>	<i>30 June 2024 SR</i>
Alinma Capital Company	Fund Manager	Management fees	(615,340)	(606,481)

9.2 Related party balances

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

<i>Name of related party</i>	<i>Nature of balances</i>	<i>30 June 2025 (Unaudited) SR</i>	<i>31 December 2024 (Audited) SR</i>
Alinma Capital Company	Management fees payable	(218,940)	(121,906)
Alinma Bank	Redemption fees payable	(704,760)	(704,760)

Alinma Saudi Government Sukuk ETF Fund (Managed by Alinma Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2025

10 FAIR VALUE MEASUREMENT

Financial assets consist of bank balance, financial assets at FVTPL and financial assets at amortized cost. Financial liabilities consists of management fees and redemption fees payable.

The following table shows the fair values of financial assets at FVTPL and financial assets at amortised cost, including their levels in the fair value hierarchy:

	<i>Level 2</i>
	<i>SR</i>
<i>As at 30 June 2025 (unaudited)</i>	
Financial assets at FVTPL (note 7)	71,681,824
Financial assets at amortised cost (note 8)	345,070,545
	<u>416,752,369</u>
<i>As at 31 December 2024 (audited)</i>	
Financial assets at FVTPL (note 7)	96,563,614
Financial assets at amortised cost (note 8)	158,091,755
	<u>254,655,369</u>

The value of financial assets at FVTPL amounting to SR 71,681,824 (31 December 2024: SR 96,563,614) 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 at the reporting date the fair value of all other financial assets and liabilities that are classified as amortized cost approximate their carrying values owing to their short-term tenure and the fact that these are readily realizable. 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.

11 DISTRIBUTIONS

For the period ended 30 June 2025, The Fund Manager announced distributions comprising of SR 0.21 per unit, amounting to SR 8.5 million.

For the period ended 30 June 2024, The Fund Manager announced distributions comprising of SR 0.08 per unit, amounting to SR 3.2 million.

12 REDEEMABLE UNITS SPLIT

During the year ended 31 December 2024, the unitholders approved the split of the Fund's units from 4,043,013 to 40,430,131 units at a nominal value of SR 100 for each unit to SR 10 for each unit. This has not resulted in a change in the value of the Fund's NAV.

13 SUBSEQUENT EVENT

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

14 LAST VALUATION DATE

The last valuation date of the period was 30 June 2025 (31 December 2024: 31 December 2024).

15 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund Manager on 20 Muharram 1447H (corresponding to 15 July 2025).