

Board of Directors Report **2025**

Yaqeen Capital Company

Your Trust is Our Basis





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1. Message of the Chairman of the Board

Dear Shareholders,

On behalf of the Board of Directors of Yaqeen Capital Company, I am pleased to present to you the Annual Report for the fiscal year 2025. Amidst the rapid developments and growing transformations witnessed by the financial sector in the Kingdom of Saudi Arabia, Yaqeen Capital Company continues to play its role as an active investment entity within the financial market system. This is based on solid institutional foundations and a clear strategic vision aimed at achieving sustainable value for its shareholders and enhancing trust among its clients and stakeholders.

The company's 2025 Annual Report reflects the results of a year of integrated institutional work, reviewing the most prominent financial results, operational activities, and strategic initiatives that contributed to enhancing the efficiency of the company's operations and developing its products and services, in line with the changes witnessed by the financial sector and the requirements of the regulatory environment.

During the year, the financial market witnessed a number of challenges related to market volatility and a decline in liquidity levels at certain times, which was reflected in the performance of market indices and IPO activity.

Nevertheless, Yaqeen Capital continued to operate according to a balanced approach that focuses on diversifying revenue streams, enhancing operational efficiency, and developing investment solutions that meet investor needs and keep pace with market developments.

During the year, the Board of Directors also prioritized supporting the company's strategic directions and strengthening its governance, oversight, and risk management framework. This ensures the sustainability of the company's operations and enhances its ability to continue growing in a dynamic and competitive business environment.

This aligns with the increasing role of the financial sector in supporting the national economy and is consistent with the objectives of the Kingdom's Vision 2030 to develop financial markets and enhance their role in economic growth.

Looking ahead with confidence and optimism, we reaffirm the Board of Directors' commitment to further solidifying the company's institutional principles and strengthening its position as a trusted provider of investment solutions in the Saudi financial market.

We are committed to achieving a balance between growth and sustainability that serves the interests of shareholders and all stakeholders.

On this occasion, I extend my sincere thanks and appreciation to the company's shareholders for their continued trust and support of Yaqeen Capital's journey.

We also express our appreciation to our strategic partners and valued clients, whose trust is the cornerstone of the company's success.

I commend the role of regulatory bodies, foremost among them the Capital Market Authority and the Saudi Stock Exchange (Tadawul), for their efforts in developing the financial market and enhancing its efficiency and stability.

I also extend my thanks to my fellow members of the Board of Directors, the executive management, and all company employees for their dedicated and professional efforts, which have contributed to achieving the company's objectives and enhancing its performance.

I ask Allah for success in continuing the company's journey towards achieving further growth and success, contributing to supporting the investment sector and serving the economy of our beloved nation.

May Allah grant us success.

Abdullah bin Mohammed Al-Shammasi
Chairman of the Board of Directors



2. Message of the Managing Director and CEO

I am pleased to review with you the operational and financial results of Yaqeen Capital for 2025, a year in which we tested the resilience of our business model and its ability to adapt to the changes in the Saudi financial market. The year witnessed a decline in the main financial market indices, with the main market index and the parallel market index (NOMU) decreasing significantly. Liquidity levels and investor appetite were also affected by a number of economic and financial factors, including the continued high interest rates, debt instrument issuances and a slowdown in IPO activity, particularly in the second half of the year, impacted market performance and investor sentiment throughout the year.

Despite these challenges, Yaqeen Capital continued to implement its strategy aimed at achieving sustainable growth, diversifying revenue streams, and enhancing value for its clients and shareholders.

This strategy is based on an integrated business model encompassing asset management, investment banking, brokerage, and advanced investment solutions.

During the year, the company took a significant strategic step by increasing its capital through a bonus share issue. Capital rose from SAR 150 million to SAR 255 million. This decision reflects the company's strong financial position and the Board of Directors' confidence in its future growth prospects. It also strengthens the company's ability to expand its investment activities and develop its products and services.

On the business front, the company achieved several significant milestones across its various sectors. In the investment banking sector, Yaqeen Capital maintained its leading position in the parallel market (NOMU), managing the listing of 11 companies and capturing a substantial market share of listings during the year. In addition, its IPO management achieved subscription levels approaching the market average, with total proceeds nearing SAR 2.75 billion. This reflects the continued investor confidence in the IPOs managed by the company and the effectiveness of its pricing and marketing strategies. Furthermore, the number of IPO and listing approvals from the Capital Market Authority decreased during 2025.

In the asset management sector, the company continued its strong performance growth, with management revenues rising significantly. This growth was driven by the expansion of investment products and the diversification of assets categories. The year witnessed the launch of several new investment funds, including the Indirect Finance Fund and the Yaqeen S&P GCC Equity ETF, which is aligned with sustainability standards. Additionally, the company launched its second real estate income fund, as part of its strategy to expand into private markets and income-generating assets. The Yaqeen Gold Fund achieved the top ranking among the best-performing investment funds in the Kingdom, with a return of 37.90% during the year, benefiting from the global rise in gold prices.

Regarding brokerage and sales services, the company developed a comprehensive suite of Sharia-compliant financing solutions and investment products, including the launch of a range of margin financing products. Furthermore, several digital transformation initiatives were implemented to enhance the customer experience. A key initiative was the development of an online investment account opening process, enabling completion within minutes. This contributed to attracting over two thousand new clients during the year.

The year also witnessed significant steps toward expanding international investment services. The company began developing an advanced platform that will grant its clients access to more than thirty global markets. This platform, expected to launch in 2026, will enhance the diversity of investment options available to clients and support the company's future growth.

To further enhance operational efficiency, the company continued to invest in developing its digital infrastructure and service channels, while also launching initiatives to improve the quality of services provided to clients and expedite transaction processes. The company also continued to strengthen its corporate presence and brand through participation in numerous economic and financial forums and events, in addition to implementing marketing campaigns that support the growth of investment products and initial public offerings (IPOs).



These efforts culminated in the company receiving several local and international awards and accolades, reflecting its excellence in managing IPOs, investment funds, and Sharia-compliant financial solutions. The results achieved by Yaqeen Capital during 2025 reflect the strength of its business model and its ability to adapt to market changes. They also reflect its ongoing commitment to developing innovative investment solutions and strengthening its position as a trusted provider of investment services in the Saudi financial market.

We look forward to the coming year with confidence, building on a strong business foundation and a range of strategic initiatives that will support our growth trajectory. These initiatives include expanding into international markets, enhancing our presence in asset management and private markets, and continuing our role in supporting companies through investment banking services and IPOs.

In conclusion, I extend my sincere thanks and appreciation to the Board of Directors for their support and guidance. I also thank the Yaqeen Capital team for their dedicated efforts, and express my deep gratitude to our shareholders, clients, and partners for their continued trust, which is the cornerstone of the company's journey and success.

May Allah grant us success.

Ahmed bin Ibrahim Al-Shabana
Managing Director and CEO



Overview and Description of the Company's Main Activities

3.1. Establishment and Background:

Yaqeen Capital Company (Yaqeen Capital) was established as a Saudi joint-stock company in 2006, pursuant to Ministerial Resolution No. (2631). It officially commenced operations in 2007 with a license from the Capital Market Authority No. (37-06020), initially operating under the name Falcom Financial Services Company before adopting its current brand name in 2021. The year 2024 marked a significant milestone for the company with the listing of its shares on the Parallel Market (NOMU). This was followed by a major strategic step in 2025 with an increase in the company's capital to SAR 255 million, reflecting the company's commitment to strengthening its capital base and supporting its strategic growth and expansion objectives in the financial investment sector, thus serving the aspirations of its shareholders.



3.2. Business and Activities

Yaqeen Capital Company (Yaqeen Capital) is at the forefront of leading financial entities and was among the first investment banks to obtain comprehensive licenses from the Capital Market Authority, enabling it to play a pioneering role in providing innovative financial and investment solutions compliant with Islamic Sharia principles. The company's operational activities are concentrated in strategic sectors including investment banking, asset management, and brokerage services. The company offers a diverse range of licensed services and activities that meet the needs of its individual and institutional clients. These activities include:

- **Dealing:** Practicing brokerage activities as principal and agent in the financial market, in addition to underwriting initial public offerings (IPOs).
- **Management:** Specializing in the establishment and management of various types of investment funds and managing private investment portfolios to the highest professional standards.
- **Arranging:** Providing services for arranging financing transactions and structuring major financial deals.
- **Advising:** Providing technical financial advice and analytical studies to support investment decisions.
- **Custody:** Providing custody services for securities and assets, ensuring the protection of investors' rights and enhancing operational efficiency.



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Our Strategy

4.1. Vision, Mission, and Values

The company's strategy is based on several initiatives and a focus on developing the current business by seeking new investment opportunities, attracting new clients, and providing them with the highest levels of service. Since its establishment, the company has been working to develop its business and services and enhance its leadership in the investment and securities sector, under the supervision and monitoring of the Capital Market Authority and the Saudi Stock Exchange (Tadawul). Yaqeen Capital Company continues to maintain its leading position in the Saudi market by increasing its market share in all its investment activities and providing high-quality, value-added, and innovative Sharia-compliant services to its clients to meet investors' needs through diverse trading channels and products via smartphone applications and the development of existing trading screens. In the trading activity, the company plans to expand its business by developing trading platforms and adding brokerage services in international stocks. In the arrangement and advisory services activity, the company also plans to contribute to the further development of mergers and acquisitions, initial public offerings, corporate financing arrangements, and related advisory services. As for the asset management activity, the company seeks to increase the volume of assets under management by achieving superior returns relative to risk and offering new investment products.

4.2. Impactful Plans and Decisions

In its ongoing pursuit of enhanced efficiency and competitiveness, Yaqeen Capital updated its organizational structure to align with its growth and expansion strategies. The restructuring aimed to improve performance and deliver more efficient and innovative services. In 2025, Yaqeen Capital made a strategic decision to increase its capital, in line with its ambitious vision to strengthen its financial position and support qualitative expansion plans. This step aimed to provide the necessary capital to launch innovative investment products in private credit and real estate, invest in developing the technological infrastructure to connect the company's platforms to global markets, and enhance the company's ability to attract specialized human resources. This directly contributed to increased operational efficiency and sustainable revenue growth despite market challenges.

4.3. Future Plans

Yaqeen Capital looks forward to a future full of opportunities and expansion. The company seeks to strengthen its presence in financial markets by expanding its investment services and exploring new opportunities to support growth. Our future plans also focus on developing digital solutions and improving the customer experience through technological innovation and providing more advanced and efficient financial services. In addition, the company seeks to attract new clients and enhance its investments across various sectors, thereby strengthening its position as a trusted financial partner for investors in Saudi Arabia and beyond.





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Journey and Achievements



During 2025, Yaqeen Capital continued to enhance the efficiency of its operational and service sectors, achieving significant leaps in product development and expanding its client base, despite the challenges faced by the Saudi financial market. The following is an overview of the most important achievements:

I : Asset Management (Strategic Growth and Portfolio Diversification)

Asset management achieved exceptional performance during 2025, with revenues jumping by 39.7% to reach SAR 25.7 million, compared to SAR 18.4 million in 2024. This growth reflects the management's ability to maximize returns despite the challenges faced by the stock markets.

Expanding Investment Products and Quality Solutions:

Leadership in ESG Funds: The Management successfully launched the Yaqeen S&P ESG MENA ETF, further solidifying the company's leadership in offering sustainable investment products.

Mandates and Portfolio Management: The unit managed treasury share buybacks under non-voluntary mandates and successfully secured a management mandate for a voluntary investment portfolio for a listed insurance company, reflecting institutional confidence in Yaqeen's capabilities.

Private Credit & Money Market:

Indirect Financing Fund: In response to growing demand for private credit solutions, the management launched the Indirect Financing Fund, which ended the year with a net asset value (NAV) of SAR 95.3 million, positioning the company strongly for expansion in this asset class during 2026.

Outstanding Murabaha Performance: The Yaqeen SAR Murabaha Fund achieved a return of 5.65%, ranking it among the top quartile in terms of performance compared to similar funds, with a net asset value of SAR 516.7 million.

Real Estate and Private Equity Strategy:

Baqeen Income Fund II: The year witnessed the launch of the fund with a net asset value of SAR 506.9 million. It achieved broad geographical and sectoral diversification, including major operating assets in Jeddah, Riyadh, and the Eastern Province.

Enhancing Human Capital: In parallel with asset growth, management strengthened the real estate and private equity team with specialized personnel who keep pace with investors' focus on private markets.

Exceptional Performance of the Gold Fund:

The Yaqeen Gold Fund, managed passively, achieved a record return of 57.9% during 2025, supported by significant increases in global gold prices, placing it among the top-performing investment funds in the Kingdom.

II : Sales and Development of Financing Solutions

Despite the challenges faced by the financial market in 2025, which included a decline in the general index by approximately 13% and a decrease in levels Regarding liquidity, the commercial sector successfully absorbed these effects by launching strategic initiatives aimed at diversifying income sources and enhancing the investor experience. Among the most prominent of these initiatives are:

Innovating financing solutions: Developing and launching a suite of Sharia-compliant margin financing products, including Murabaha financing for free trading, interest-free loan financing, and Murabaha financing based on usage, thus positioning Yaqeen at the forefront of financial companies offering these solutions.

Digital transformation in client acquisition: Restructuring investment account opening procedures electronically, reducing the execution time to less than 3 minutes. This development has resulted in attracting more than 2,000 new clients, with expectations of accelerated growth in the coming year.

International expansion: Finalizing agreements and establishing technical integration with a global platform that provides access to more than 30 international markets. The official launch is scheduled for the end of the first quarter of 2026, opening new horizons for the company's revenue growth.



III : Marketing and Corporate Outreach:

The marketing department worked to solidify Yaqeen's position as a trusted investment entity through targeted

strategic campaigns. This included:

Supporting operational growth: Implementing integrated campaigns for investment funds and initial public offerings managed by the company, which contributed to stimulating demand and enhancing the driving value of the brand.

Corporate Presence: The company actively represented itself at major events such as the Annual Trading Forum, the Bayan Forum, and the Financial Academy Forum, in addition to enhancing media communication that showcased the company's achievements to investors and partners.

III : Marketing and Corporate Outreach:

As part of the company's pursuit of operational leadership, digital channels witnessed significant developments:

Automation and Improved Response: Launching automated response systems and instant messaging, and developing the website to provide seamless services. This included the "Parallel Market Qualification - Nomu" service.

Establishing a Telephone Sales Unit: Creating a specialized department to activate accounts and market investment products directly to clients, which contributed to increasing the efficiency of database utilization and transforming it into a profitable opportunity.

V : Brokerage

The brokerage department achieved consistent operational performance, driven by high efficiency in risk management, improved operational efficiency, financing, and operational support, with a pivotal role in implementing investment strategies for private portfolios and asset management funds. This enhances operational efficiency and raises the quality of execution and added value.

VI : Investment Banking and Leadership in the Parallel Market "Nomu"

Yaqeen Capital during 2025, thanks to Allah, the Investment Banking Group achieved a number of accomplishments, building upon the professional reputation the company has enjoyed since its inception. The company maintained its market share of listings on the parallel market (Nomu), reaching 44% during 2025, reaffirming its continued active presence and competitive position in this sector.

The year's performance took place amidst a market environment characterized by a significant decline in financial market indices. The main market index fell by 12.8% during 2025, while the parallel market (Nomu) index declined by 13%. This impacted liquidity levels and investor appetite, leading to a slowdown in IPO activity compared to previous years. The year also witnessed several unusual developments in the IPO market. For the first time in over fifteen years, some companies failed to complete their listings on the main market, while several IPOs on the parallel market encountered difficulties. These challenges included low valuations and high under-subscription risks, prompting some companies to reassess their IPO plans or postpone them until market conditions improve.



VII : Operations and Information Technology Sector

The year 2025 witnessed a qualitative leap in the operations and information technology sector, in line with the company's strategy for digital transformation and enhancing operational efficiency, the company's efforts during the year focused on developing a sophisticated technological infrastructure. This included launching integrated digital platforms that contributed to improving the quality and speed of procedures and enhancing the customer experience, according to the following pillars:

Automation of Financing Services: The "Tasheelati" digital platform was launched, enabling customers to automatically complete renewal and modification processes for facilities. Additionally, the application procedures for four financing products were automated, enhancing the flexibility and speed of meeting customer needs.

Excellence in Customer Experience (UX): The account opening journey across digital channels was re-engineered, with the company successfully reducing the time required to open an account to just 3 minutes. The procedures for qualifying individual customers and opening corporate accounts were also digitized to ensure smooth operations.

Development of Investment Services: The company achieved a qualitative leap in automating IPO services through direct and automated integration with Tadawul, ensuring that subscription requests reach the market in seconds, thus enhancing the accuracy and efficiency of execution.

Strengthening Cybersecurity: In parallel with digital expansion, the company implemented a series of fundamental security enhancements and updates. The company's technical systems are designed to comply with the latest global security standards, ensuring a stable and secure technological environment that protects customer data and company assets.

VIII : Local and International Awards and Recognition (2024-2025)

The company's achievements have culminated in numerous prestigious awards that reflect its excellence, most notably:

Saudi Stock Exchange (Tadawul):

Direct Listing of the Year Award in Nomu Parallel Market (2024)

Arqaam Capital Company:

Best Initial Public Offering (IPO) Manager Award in Nomu Market (2024)

International Business Magazine:

Best Sharia-Compliant Financial Solutions Award (2025)

Global Business Outlook:

Best Initial Public Offering (IPO) Manager Award in Nomu Market - Saudi Arabia (2025)

Best Performing Gold Investment Fund Award: Yaqeen Gold Fund - Saudi Arabia (2025)

Media Funds Group:

Best Return Investment Fund Award in the Saudi Stock Exchange (Tadawul) ETF category

Yaqeen S&P SEG MENA ETF: Best Innovative Investment Fund Award in the Saudi Stock Exchange.





Governance - General Assembly, Board of Directors, and Subcommittees



6.1. General Assembly Meetings During 2025

Statement of the dates of the General Assemblies of Shareholders held during the last fiscal year and the names of the Board members and committee chairs who attended these meetings:

One General Assembly meeting of shareholders was held during 2025.

The attendance record for this meeting is as follows:

No.	Date of General Assembly Meeting	Present Board Members
1	May 14, 2025	1- Mr. Abdulmohsen bin Mohammed Al Saleh, Chairman *
		2- Mr. Salman bin Abdulaziz bin Shahiween (Vice Chairman)
		3- Mr. Almaa bin Saeed Al Mutair (Member)
		4- Mr. Abdulrahman bin Hamad Al Rabie (Member)
		5- Mr. Ahmed bin Ibrahim Al Shabanah (Managing Director)

* Resigned from the Board on: June 4, 2025

6.2. Board of Directors – Board Members:

According to the company's Articles of Association, the Board of Directors of Yaqeen Capital Company (Yaqeen Capital) consists of six members. In accordance with the General Assembly's resolution issued on February 7, 2024, the following members were elected to the Board:

No.	Member .	Membership	Executive / Non-Executive / Independent	Notes
1	Mr. Abdulmohsen bin Mohammed Al Saleh (Chairman)	Chairman	Non-Executive	Resigned from the Board on: June 4, 2025
2	Mr. Abdullah bin Mohammed Al Shammasi (Chairman)	Chairman	Independent	Joined the Board on June 25, 2025, Replacement for the Chairman of the Board
3	Mr. Salman bin Abdulaziz bin Shahween (Vice Chairman)	Vice Chairman	Non-Executive	-
4	Mr. Almaa bin Saeed Al Mutair (Member)	Member	Independent	-
5	Mr. Abdulrahman bin Hamad Al Rabie (Member)	Member	Independent	-
6	Mr. Ahmed bin Ibrahim Al Shabanah (Managing Director)	Managing Director	Executive	-
7	Mr. Yahya bin Mutlaq Al Yahya (Member)	Member	Independent	Joined the Board on May 14, 2025, as a member of the vacant seat



The Board discusses, in its meetings, the topics included in its agendas that it deems appropriate, and these are documented in the minutes. These include, but are not limited to, approval of the company's strategy, estimated budgets, and policies governing the company's operations, its objectives, risk management policies, and their review and monitoring. These also include ensuring a clear organizational structure within the company to manage its operations effectively, and delegating powers and responsibilities appropriately within acceptable risk levels for the company.

The following details the membership of Board members on the boards or committees of other companies, or their management positions, during 2025:

No.	Member	Names of companies where the Board member is currently a member of the boards or committees, or a manager	Inside/Outside the Kingdom
1	Mr. Abdulmohsen bin Mohammed Al Saleh (Chairman)*	-	Inside the Kingdom
2	Mr. Abdullah bin Mohammed Al Shammasi (Chairman)**	<ul style="list-style-type: none"> Board Member of Abdul Latif Al-Issa Holding Group and Chairman of the Investment Committee Member of the Amlak International Finance Review Committee Chairman of the Board of Al-Issa Industries Group 	Inside the Kingdom Inside the Kingdom Inside the Kingdom
3	Mr. Salman bin Abdulaziz bin Shahween (Vice Chairman)	<ul style="list-style-type: none"> Member of Falcom Holding Company board of directors 	Inside the Kingdom
4	Mr. Almaa bin Saeed Al Mutair (Member)	<ul style="list-style-type: none"> Member of the Center 3 Audit Committee Member of the Smart Zone Audit Committee Member of the STC Bahrain Audit Committee 	Inside the Kingdom Inside the Kingdom Outside the Kingdom
5	Mr. Abdulrahman bin Hamad Al Rabie (Member)	<ul style="list-style-type: none"> Board Member of Giza Systems Group Chairman of the Audit Committee of Giza Systems Group Member of the Executive Committee of Giza Systems Group Member of the Audit Committee of Up Source by Solution Board Member of Samama Holding Company Member of the Audit Committee of Samama Holding Company 	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom
6	Mr. Ahmed bin Ibrahim Al Shabanah (Managing Director)	<ul style="list-style-type: none"> Board Member of Alfa Arabia Finance Company Member of the Nominations and Remuneration Committee and the Executive Committee of Alfa Arabia Finance Company 	Inside the Kingdom Inside the Kingdom
7	Mr. Yahya bin Mutlaq Al-Yahya (Member)	<ul style="list-style-type: none"> Chairman of the Board of the Gulf Integrated Industrial Company Chairman of the Board of Fal Arabia Holding Company 	Inside the Kingdom Inside the Kingdom

* Resigned from the Board on: 04/06/2025

** Joined the Board on June 25, 2025, as a replacement for the Chairman of the Board.



6.2.1. Board Meetings:

The Board of Directors held five meetings during 2025, as follows (attendance record):

Meeting	Date	Mr. Abdulmohsen bin Mohammed Al-Saleh (Chairman)*	Mr. Abdullah Bin Mohammed Al Shammasi (Chairman)**	Mr. Salman bin Abdulaziz bin Shahween (Vice President)	Almaa bin Saeed Al-Mutair (Member)	Mr. Abdulrahman bin Hamad Al-Rabee (Member)	Mr. Ahmed bin Ibrahim Al-Shabana (Managing Director)	Yahya bin Mutlaq Al-Yahya (Member)
First	February 17	✔	-	✔	✔	✔	✔	-
Second	June 25	-	✔	✔	✔	✔	✔	✔
Third	July 21	-	✔	✔	✔	✔	✔	✔
Fourth	August 14	-	✔	✔	✔	✔	✔	✔
Fifth	October 15	-	✔	✔	✔	✔	✔	✔

* Resigned from the Board on: June 4, 2025.

** Joined the Board on June 25, 2025, as a replacement for the Chairman.

Not applicable: -

Did not attend: ✘

Present: ✔



6.3. Board Committees:

The Board of Directors has three committees : the Audit Committee, the Nominations and Remuneration Committee, and the Sharia Committee.

Below is a detailed description of the Board of Directors' committees, their responsibilities, duties, and members:

- **Audit Committee:**

The Audit Committee is responsible for monitoring the company's operations. To this end, it has the right to access all company records and documents and to request any clarifications or information from members of the Board of Directors or the executive management. The committee also carries out its approved duties, which include supervising the Internal Audit and Compliance teams, reviewing their reports, and analyzing the results of internal control system evaluations.

The committee's responsibilities also include reviewing financial statements, evaluating accounting policies, recommending auditors to the Board of Directors, and reviewing regulatory reports concerning the company's compliance with regulations and instructions. The committee also establishes mechanisms to allow company employees to submit feedback on any violations of internal regulations and submits its recommendations to the Board of Directors.

Based on its assigned tasks and responsibilities as outlined in its bylaws and operating procedures, the Audit Committee plays a vital role in supporting the Board of Directors in fulfilling its duties, particularly regarding the integrity of the company's financial statements, ensuring the qualifications and independence of auditors, and enhancing the efficiency of disclosure controls and procedures. The Committee also monitors the effectiveness of the internal audit team and external auditors, assesses the adequacy of internal accounting systems and financial controls, and ensures the company's adherence to ethical policies.

The Audit Committee comprises three members:

Member	Membership
Mr. Almaa bin Saeed Al Mutair	Chairman
Mr. Abdulrahman bin Hamad Al Rabie	Member
Mr. Salem bin Ali Al Shamer	External Member

The Audit Committee held six meetings during 2025, with the following attendance:

Meeting	Date	Mr. Almaa bin Saeed Al Mutair (Chairman)	Mr. Abdulrahman bin Hamad Al Rabie (Member)	Mr. Salem bin Ali Al Shamer (Member)
First	January 30	✓	✓	✓
Second	February 17	✓	✓	✓
Third	June 23	✓	✓	✓
Fourth	August 13	✓	✓	✓
Fifth	October 6	✓	✓	✓
Sixth	December 22	✓	✓	✓

Not applicable: -

Did not attend: ✗

Present: ✓



Nominations and Remuneration Committee

The Nominations and Remuneration Committee was formed by a Board of Directors resolution dated February 27, 2024. The Nominations and Remuneration Committee is responsible for determining the size and efficiency of the Board, submitting recommendations regarding new Board nominees, and reviewing and recommending the distribution of the company's annual bonuses, including approving the distribution mechanism.

The Nominations and Remuneration Committee comprises three members:

Member	Membership
Mr. Salman bin Abdulaziz bin Shahween	Chairman
Mr. Turki bin Mohammed Al-Arwan**	Member
Mr. Almaa bin Saeed Al Mutair	Member
Mr. Abdulmohsen bin Mohammed Al-Saleh*	Member

** Joined the committee on June 25, 2025, replacing the resigning member, Mr. Abdulmohsen bin Mohammed Al-Saleh.

* Resigned from the committee on June 4, 2025.

The Nominations and Remuneration Committee held two meetings during 2025.

Attendance was as follows:

Meeting	Date	Mr. Salman bin Abdulaziz bin Shahween (Chairman)	Mr. Abdulmohsen bin Mohammed Al Saleh (Member)***	Mr. Almaa bin Saeed Al Mutair (Member)	Mr. Turki bin Mohammed Al Arwan (Member)**
First	March 10	✓	✓	✓	-
Second	October 12	✓	-	✓	✓

** Joined the committee on June 25, 2025, to replace the resigning committee member, Mr. Abdulmohsen bin Mohammed Al Saleh.

* Resigned from the committee on June 4, 2025.

Not applicable: -

Did not attend: ✗

Present: ✓



Sharia Committee:

The Sharia Committee was formed by a Board of Directors resolution issued on February 27, 2024. The Sharia Committee is responsible for establishing Sharia-compliant guidelines, reviewing all activities undertaken by the company at all levels, and responding to Sharia inquiries.

The committee consists of two members, whose names are listed below:

Member	Membership
Dr. Abdulrahman bin Abdul Aziz Al-Nafisah	Chairman
Dr. Ammar Ahmed Abdullah	Member

The Sharia Committee held nine meetings during the year 2025, as follows:

Meeting	Date	Dr. Abdulrahman bin Abdul Aziz Al-Nafisah (Chairman)	Dr. Ammar Ahmed Abdullah (Member)
First	January 28	✓	-
Second	February 17	✓	✓
Third	April 22	✓	✓
Fourth	May 1	✓	✓
Fifth	June 2	✓	✓
Sixth	July 10	✓	✓
Seventh	September 21	✓	✓
Eighth	November 12	✓	✓
Ninth	December 23	✓	✓

Not applicable: -

Did not attend: ✗

Present: ✓



6.4. Compensation and Remuneration of Board Members and Senior Executives of the Company during the year 2025

The following are the bonuses and compensation paid to the members of the Board of Directors and five senior executives who received the highest bonuses Compensation for the year 2025

Statement	Executive Board *Members	Non-Executive Board Members	Independent Board Members
Board Meeting Attendance Allowance	15,000	18,000	51,000
Committee Meeting Attendance Allowance	-	18,000	60,000
Regular and Annual Bonuses	91,160	372,821	687,716
Incentive Plans	-	-	-
Any other compensation or in-kind benefits paid monthly or annually	-	-	-
Total	106,160	408,821	798,716

As members of the Board of Directors.

Statement In thousands of Saudi Riyals	Five of the top executives who received the highest bonuses and compensation, in addition to the CEO and CFO if they were not included
Salaries and Wages	4,005
Allowances	1,484
Regular and Annual Bonuses	1,036
Incentive Plans	-
Commissions	-
Any other compensation or benefits paid monthly or annually	-
Total	6,525



6.5. Board Members' Interests

Board members and any related persons:

- No voting share interest held by any person (except for the company's board members, senior executives, and their relatives) who have notified the company of such rights, and any changes to those rights during 2025.
- No interest, contractual securities, or subscription rights held by the company's board members, senior executives, and their relatives, as defined in the Authority's Circular No. S//6/3/18/6970 dated October 31, 2018, in the company's shares or debt instruments during 2025.
- No purchase or cancellation by the company of any redeemable debt instruments.

Waiver of Interests by Board Members, Senior Executives, or Shareholders

- The Company is not aware of any arrangements or agreements whereby any member of the Board of Directors, any senior executive, or any shareholder of the Company would waive their interests, their rights to dividends, or any salary or compensation.
- The Company does not hold any treasury shares.



7

Company Performance and Financial Results / Company Financial Statements

The following is an analysis of the Company's financial position and operating results for the year ended December 31, 2024.

7.1. Company Financial Position

(in thousands of Saudi Riyals)	31 December 2025	31 December 2024
Assets		
Current Assets		
Cash and Cash Equivalents	24,404	51,605
Cash Custody with the Securities Clearing Center	25,548	25,054
Margin Financing and Murabaha Financing	127,974	100,225
Investments Held at Fair Value Through Profit or Loss	54,664	68,911
Accounts Receivable	33,751	30,258
Other Assets	1,697	2,227
Total Current Assets	268,038	278,280
Non-Current Assets		
Investments Held at Fair Value Through Profit or Loss	52,079	40,585
Property and Equipment	854	1,108
Right-of-Use Assets	4,783	6,731
Total Non-Current Assets	57,716	48,424
Total Assets	325,754	326,704
Liabilities and Equity		
Current Liabilities		
Accounts Payable and dues	12,927	18,029
Current Part of Lease Liabilities	2,776	1,758
Zakat and Income Tax Due	7,074	7,404
Total Current Liabilities	22,777	27,191
Non-Current Liabilities		
Employee End-of-Service Gratuity	15,326	15,118
Lease Liabilities	2,573	5,977
Total Non-Current Liabilities	17,899	21,095
Total Liabilities	40,676	48,286
Equity		
Capital	255,000	150,000
Statutory Reserve	2,627	2,118
Re-measurement of Employee End-of-Service Gratuity Recorded In Other Comprehensive Income	(5,853)	(6,924)
Retained Earnings	32,803	133,224
Total Equity	284,577	278,418
Non-controlling Interests	501	-
Total Equity	285,078	278,418
Total Liabilities and Equity	325,754	326,704



7.2 Business Results

(in thousands of Saudi Riyals)	31 December 2025	31 December 2024
Revenue		
Commission on Brokerage Services	7,534	11,557
Management and Underwriting Fees from Investment Funds	24,162	18,384
Advisory Services Income	31,239	41,558
Profit from Investments at Fair Value through Profit or Loss, net	(4,526)	4,119
Profits from Murabaha Investments	9,344	8,578
Revenue from Murabaha Financing	3,538	3,952
Dividend Distributions	2,036	1,331
Total Revenue	73,327	89,479
Other Revenue	263	-
Gross Profit	73,590	89,479
Expenses		
Salaries and Employee-Related Expenses	(44,837)	(47,064)
Other General and Administrative Expenses	(15,989)	(14,337)
Financing Costs	(554)	(730)
Reversal of Provision for Expected Credit Losses	(222)	425
Reversal of Loss from Customer Accounts	-	729
Total Operating Expenses	(61,602)	(60,977)
Net Profit Before Zakat	11,988	28,502
Zakat Expense	(6,883)	(7,324)
Net Profit for the Year	5,105	21,178
Re-measurement of Employee End-of-Service Gratuity	1,071	(1,415)
Total Comprehensive Income for the Year,	6,176	19,763
Net Profit attributable to:		
- Shareholders of the parent company	5,088	21,178
- Non-controlling interest	17	-
Earnings per share		
Basic and diluted	0.20	0.83



7.3. Financial Indicators and Ratios

	2025	2024
Liquidity Ratio	11.77	10.23
Return on Assets (ROA)	1.57%	6.48%
Return on Equity (ROE)	1.79%	7.61%
Earnings per Share (EPS) - Saudi Riyals	0.20	0.83

7.4 Indicators for the last Five Years :

Item In Thousands of Saudi Riyals	2021	2022	2023	2024	2025
Assets	401,492	319,377	320,063	326,704	325,754
Liabilities	181,626	97,085	61,261	48,286	40,676
Revenue	135,424	99,032	109,622	89,479	73,327
Net income	67,215	3,818	38,225	21,178	5,088

7.5. (KPMG Auditor's Report)

The financial statements present fairly, in all material respects, the financial position of Yaqeen Capital Company (Yaqeen Capital) (the "Company") as of December 31, 2025, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board adopted in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants.

Compared to the Company's operations in 2025, the analysis of the financial position and results shows that the Company's assets decreased by approximately SAR 326 million, or 0.29%, due to a 2.51% decrease in the Company's investments. The cash balance also decreased due to a 27.69% increase in margin financing and Murabaha financing, resulting from higher demand for margin financing.

The Company has a restricted cash balance of SAR 25 million held with the Securities Depository Center Company (Muqassa), which acts as an intermediary between two parties in securities trading. Muqassa is responsible for settling transactions, and the trading parties eliminate counterparty risk. Clearing requires the company to have a margin and contributions to the default fund, calculated based on trading activities.

During the year, the company, in its capacity as a fund manager, established two funds: the Yaqeen Income Fund 2 and the Yaqeen Indirect Financing Fund, following approval from the Capital Market Authority.

Commission fees for brokerage services decreased in 2025 compared to 2024, due to market conditions and challenges in the region, in addition to liquidity constraints and lower trading activity levels.

Advisory services revenue decreased this year compared to the same period last year, primarily due to a decline in the number of successful initial public offerings (IPOs) completed in 2025.

Income from management fees and subscriptions from investment funds increased as a result of the growth in assets under management.

On January 21, 2024, the company received the final Zakat assessment for 2019. Zakat returns were submitted to the Authority, and these returns are currently under review by the Zakat, Tax and Customs Authority. No Zakat assessments have been issued for these years, with the exception of 2024, for which the Authority recently issued a preliminary assessment with an additional Zakat obligation of SAR 7,5 thousand, which the company accepted.



Dividend Distribution Policy



8. Dividend Distribution Policy

The Board of Directors analyzes the company's financial position, capital adequacy, and expected future growth.

Based on this analysis, the Board proposes whether or not to distribute dividends. The minimum dividend distribution, as stipulated in the company's Articles of Association, is 5%.

- The Board of Directors has not recommended any dividend distribution for 2025.
- There are no arrangements or agreements under which any shareholder has waived their dividend rights.

The following table summarizes retained earnings for 2025:

SAR Thousands	Amount
January 1, 2025	133,224
Yearly Income	5,088
Transferred from Statutory Reserve	(509)
Bonus Shares Issued During the Year	(105,000)
Dividends Distributed	
31 December 2025	32,803



Risk Management



Financial Instruments and Risk Management

Actual risk management is of fundamental importance to the company. Risks include market risk, (primarily foreign exchange risk, price risk, commission rate risk), credit risk, liquidity risk, and operational risk. The company ensures that its risk capitalization is conservative in relation to its own risk levels, as well as external requirements and standards.

Financial instruments included in the statement of financial position are cash and bank balances, margin lending and Murabaha financing, other assets, fair value investments through profit or loss (current), fair value investments through profit or loss (non-current), accounts payable and receivable, and receivables to a related party (short-term Murabaha financing) and short-term financing. Specific recognition methods are disclosed in the individual accounting policies for each item.

Offsetting financial assets and financial liabilities and recognizing net amounts in the financial statements occurs when a company has a legal right to offset recognized amounts and intends to either reconcile them on a net basis or simultaneously recognize assets and reconcile liabilities.

Market Risks

As a result of market price volatility, key risks include fluctuations in stock prices, interest rates, exchange rates, and commodity prices. These risks can lead to a decline in asset prices due to economic slowdowns, geopolitical tensions, or changes in monetary policy, which may negatively impact the company's performance.

Commission Rate Risk

Charge rate risk is the impact on a company's future earnings resulting from increases in market interest/commission rates. This risk arises when there is a mismatch between assets and liabilities subject to interest rate adjustments over a specific period. Short-term deposits, margin lending, Murabaha financing, cash collateral with the Securities Clearing Center Company, and other financial liabilities of the company are at fixed rates and are reported at amortized cost. Therefore, there is no commission rate risk as of the reporting date:

Commission Rate Risk (in thousands of Saudi Riyals)	3-Month Period	3-12 months	More than 1 year	No commission	Total
31 December 2025					
Cash and Bank Balances	-	-	-	24,404	24,404
Margin and Murabaha Financing	-	61,815	-	66,159	127,974
Cash Collateral with the Securities Clearing Center Company	25,548	-	-	-	25,548
Accounts Receivable				33,751	33,751
Other Assets				1,697	1,697
Fair Value Investments Through Profit or Loss - Current	-	-	-	54,664	54,664
Investments at fair value through profit or loss- Non-current	-	-	-	52,079	52,079
Total financial assets	25,548	61,815	-	232,754	320,117
Accounts payable and dues	-	-	-	12,927	12,927
Total financial liabilities	-	-	-	12,927	12,927

Commission Rate Risk (in thousands of Saudi Riyals)	3-Month Period	3-12 months	More than 1 year	No commission	Total
31 December 2025					
Cash and Bank Balances	-	-	-	14,209	14,209
Short term deposits	37,396	-	-	-	37,396
Margin and Murabaha Financing	40,937	-	-	59,288	100,225
Cash Collateral with the Securities Clearing Center Company	25,054	-	-	-	25,054
Accounts Receivable	-	-	-	30,258	30,258
Other Assets	-	-	-	2,227	2,227
Fair Value Investments Through Profit or Loss - Current	-	-	-	68,911	68,911
Investments at fair value through profit or loss- Non-current	-	-	-	40,585	40,585
Total financial assets	103,387	-	-	215,478	318,865
Accounts payable and dues	-	-	-	18,029	18,029
Total financial liabilities	-	-	-	18,029	18,029



Currency Risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company's transactions are primarily conducted in Saudi Riyals and US Dollars. Management monitors exchange rate fluctuations and believes that this currency risk is not significant because the Saudi Riyal is pegged to the US Dollar. Therefore, there is no currency exchange risk.

Information Technology and Cybersecurity Risks

Information technology and cybersecurity risks are among the most prominent operational risks that Yaqeen Capital Company prioritizes. Yaqeen Capital Company faces escalating cybersecurity risks due to the expansion of its trading services to clients outside the Kingdom, which has increased its exposure to cyberattacks and necessitated stricter security requirements. Current regional events and geopolitical tensions have contributed to the increased frequency of these threats, requiring the cybersecurity team to raise its level of preparedness and vigilance, intensify monitoring and continuous analysis, and conduct regular penetration tests to ensure the protection of systems, the integrity of client data, and business continuity against any potential breaches.

In line with the company's commitment to the requirements of the Capital Market Authority and the regulations issued by the National Cybersecurity Authority, the company is working to implement regulatory requirements in a way that ensures the confidentiality, integrity, and availability of data, with a focus on enhancing business continuity assurance.

Reputation Risks

Reputation risks are the risks arising from damage to a company's reputation, name, or brand, which can affect profits, capital, image, and trust. This risk may expose the organization to litigation, financial loss, or a decline in its customer base.

Strategic Risk

Strategic risk refers to the potential negative impact on a company's profits and capital that can arise when organizational decisions or the way business strategies are implemented lead to losses or missed opportunities for the company to remain relevant in the market as a profitable and viable business entity.

Credit Risk

A company is exposed to credit risk due to the counterparty's inability to meet its contractual obligations when due, with respect to:

- Margin lending and Murabaha financing
- Accounts receivable
- Related party receivables
- Cash in banks
- Other assets (loans to employees)
- Cash held with a clearinghouse

Credit risk is the risk of a company incurring financial loss due to a customer or counterparty in a financial instrument failing to meet its contractual obligations. Credit risk arises from cash and cash equivalents, as well as credit exposures to other assets. Balances due from related parties, margin lending, Murabaha financing, and cash collateral held with the Securities Clearing Center Company.

Risk Exposure

Cash and cash equivalents are held with commercial banks with good credit ratings. Cash collateral is held with the Securities Clearing Center Company, a related regulatory body. Receivables related to margin lending and Murabaha financing portfolios have adequate coverage ratios. These portfolios are closely monitored, and hedging and liquidity requests are executed within predetermined levels as needed to ensure the company's exposure is adequately secured. Other assets consist of accrued fees and receivables related to the company's investment banking group. Accrued fees primarily relate to amounts due from counterparties on a quarterly basis and are settled within a short timeframe. Receivables related to the investment banking group are closely monitored by the company, and specific controls are applied in accordance with company policies and procedures. The carrying value of financial assets represents the maximum exposure to credit risk. The provision for expected credit losses on financial assets recorded in the statement of financial position for the year ended December 31, 2025, amounted to SAR 0.7 million.



Revenue is primarily settled in cash as commission income; therefore, the associated credit risk is minimal. For other debtor nations, the company assesses the creditworthiness of the client, considering their financial position, past dealings with them, and other factors. Individual risk limits are subsequently determined.

For banks and financial institutions, only parties with an independent rating of A2 or higher are accepted. Therefore, the provision for expected credit losses on cash and cash equivalents is minimal.

The company deposited cash and cash equivalents with reputable commercial banks. Therefore, the expected credit losses on cash and cash equivalents as of December 31, 2025, were zero (December 31, 2024: zero). As of December 31, 2025, cash held with banks amounted to SAR 24.4 million (December 31, 2024: SAR 51.6 million).

The following are the credit ratings of the banks with which the company holds cash as of December 31:

Credit Ratings (in thousands of Saudi Riyals)	31 December 2025	31 December 2024
Moody's Credit Rating: A2	24,361	51,562

Accounts receivable are presented net of expected credit loss provisions. The company applies the simplified approach to IFRS 9 for measuring expected credit losses on accounts receivable. Accounts receivable are segmented based on shared credit risk characteristics and payment delays. Expected credit losses on accounts receivable are estimated using a provision matrix that considers past debtor default experience, analysis of the debtor's current financial position, the number of payment delays, and expected recovery, adjusted for debtor-specific factors. The matrix also considers the general economic conditions of the sector in which the debtors operate and assesses both the current and projected trends in economic conditions at the reporting date. It assumes a substantial increase in credit risk if a debtor is more than 30 days late on a contractual payment.

Expected credit losses on accounts receivable against margin lending and Murabaha financing amounted to SAR 0.7 million (2024 : SAR 0.7 million). The company holds customers' equity instruments as collateral against margin lending and Murabaha financing receivables, which are recorded at amortized cost. The company uses these collaterals as part of its calculation of the loss under the assumption of default.

The value of collateral is regularly monitored by the company to ensure it is sufficient to cover its exposure to margin lending and Murabaha financing receivables. As part of this ongoing monitoring, the company has a stop-loss order in place should the value of the receivables decrease by 25% of their original value. Consequently, the company liquidates the investment until the borrowed amount is covered. Although there is a low probability of default, expected credit losses result in no impairment provision, as the collateral, in the form of cash or liquid securities, adequately covers the exposure. The nature of providing collateral against overvalued exposure, combined with the company's monitoring process, means that losses are not incurred in the event of default. The collateral includes cash and equity instruments listed on the Saudi Stock Exchange. The fair value of the collateral held by the company as of December 31, 2025, was SAR 220 million (December 31, 2024: SAR 126 million).

There are no significant concentrations of credit risk, either through exposure to individual customers or specific industry sectors. The nature of the company's business does not expose it to a concentration of credit risk.

Management analyzes credit risk in the following categories:

Credit Quality Analysis

The table below shows the credit analysis of financial assets:

December 2025 ,31 In thousands of Saudi Riyals	Investment Grade	Below Investment Grade	Unclassified	Total
Financial Assets				
Cash and Balances with Banks	24,404	-	-	24,404
Cash Collateral with the Securities Clearing Center Company	25,548	-	-	25,548
Margin Financing and Murabaha Financing	-	-	127,974	127,974
Other Assets	-	-	52	52
Accounts Receivable	-	5,813	27,938	33,751
Total	49,952	5,813	155,964	211,729

December 2025 ,31 In thousands of Saudi Riyals	Investment Grade	Below Investment Grade	Unclassified	Total
Financial Assets				
Cash and Balances with Banks	51,605	-	-	51,605
Cash Collateral with the Securities Clearing Center Company	25,054	-	-	25,054
Margin Financing and Murabaha Financing	-	-	100,225	100,225
Other Assets	-	-	107	107
Accounts Receivable	-	10,372	19,886	30,258
Total	76,659	10,372	120,218	207,249

The credit quality of financial assets is based on external credit rating agencies. For unrated credit assets, credit quality is determined by the customer's history of fulfilling obligations, market intelligence, and management's business experience.

Credit risk exposure for margin lending, by geographic region, was as follows:

In thousands of Saudi Riyals	2025 December 31	2024 December 31
Saudi Arabia	128,679	100,930

Credit risk exposure for margin lending and Murabaha financing, by customer type, represented only retail customers as of December 31, 2025 and 2024.

The following are the ages of the financial assets:



The following are the ages of the financial assets:

December 31, 2025 in thousands of Saudi Riyals	Book Value	Not exceeding maturity and not impaired	1-30 days	31-60 days	61-90 days	More than 90 days
Financial Assets						
Margin Lending	66,864	66,159	-	-	-	705
Murabaha Financing	61,815	61,815	-	-	-	-
Accounts Receivable	33,751	8,446	2,271	4,541	230	18,263
Total	162,430	136,420	2,271	4,541	230	18,968

December 31, 2024 in thousands of Saudi Riyals	Book Value	Not exceeding maturity and not impaired	1-30 days	31-60 days	61-90 days	More than 90 days
Financial Assets						
Margin Lending	59,993	59,288	-	-	-	705
Murabaha Financing	40,937	40,937	-	-	-	-
Accounts Receivable	30,258	20,426	3,220	1,093	375	5,144
Total	131,188	120,651	3,220	1,093	375	5,849



Liquidity Risk

Liquidity risk is the risk that a company will have difficulty obtaining the financing necessary to meet its financial obligations. Liquidity risk can arise when a financial asset cannot be sold quickly and at a price close to its fair value.

The following table shows the remaining contractual maturities for financial assets and liabilities:

31 December 2025 (in thousands of Saudi Riyals)	Book Value	Total Nominal Cash Inflows/Outflows	Less than one month	One month to 3 months	3 months to one year	More than one year
Assets						
Cash and Balances with Banks	24,404	24,404	24,404	-	-	-
Cash Guarantee with the Securities Clearing Center Company	25,548	25,548	-	25,548	-	-
Margin Lending Murabaha Financing	127,974	130,554	-	66,936	63,618	-
Fair Value Investments through Profit or Loss	106,743	106,743	-	-	54,664	52,079
Accounts Receivable	33,751	33,751	33,751	-	-	-
Other Assets	1,697	1,697	-	-	1,697	-
	320,117	322,697	58,155	92,484	119,979	52,079

31 December 2025 (in thousands of Saudi Riyals)	Book Value	Total Nominal Cash Inflows/Outflows	Less than one month	One month to 3 months	3 months to one year	More than one year
Liabilities						
Accounts Payable and Receivables	12,927	12,927	-	-	12,927	-
Current Part of lease Liabilities	2,776	2,938	-	-	2,938	-
Zakat and Income Tax Due	7,074	7,074	-	-	7,074	-
Non-Current Part of lease Liabilities	2,573	2,938	-	-	-	2,938
	25,350	25,877	-	-	22,939	2,938



31 December 2024 (in thousands of Saudi Riyals)	Book Value	Total Nominal Cash Inflows/Outflows	Less than one month	One month to 3 months	3 months to one year	More than one year
Assets						
Cash and Balances with Banks	51,605	51,842	14,166	37,676	-	-
Cash Guarantee with the Securities Clearing Center Company	25,054	25,054	-	25,054	-	-
Margin Lending Murabaha Financing	100,225	101,739	-	59,993	41,746	-
Fair Value Investments through Profit or Loss	109,496	109,496	-	-	68,911	40,585
Accounts Receivable	30,258	33,248	-	3,429	29,819	-
Other Assets	2,227	2,227	-	-	2,227	-
	318,865	323,606	14,166	126,152	142,703	40,585

31 December 2024 (in thousands of Saudi Riyals)	Book Value	Total Nominal Cash Inflows/Outflows	Less than one month	One month to 3 months	3 months to one year	More than one year
Liabilities						
Accounts Payable and Receivables	18,029	18,029	-	-	18,029	-
Current Part of lease Liabilities	1,758	2,938	1,469	-	1,469	-
Zakat and Income Tax Due	7,404	7,404	-	-	7,404	-
Non-Current Part of lease Liabilities	5,977	7,347	-	-	-	7,347
	33,168	35,718	1,469	-	26,902	7,347

Liquidity risk is managed through regular monitoring of the adequacy of available cash to meet the company's financial obligations. The amounts disclosed in the table are undiscounted contractual cash flows equal to their respective carrying amounts, as the discount effect is immaterial. Investments classified at fair value through profit or loss for the period are based on the expected time-frame for sale.



Operational Risks

Operational risks are the risks of direct or indirect loss arising from a variety of causes related to the procedures, technology, and infrastructure that support the company's activities, both internally and externally, including service providers. Other external factors, besides credit, liquidity, currency, and market risks, include those arising from legal and regulatory requirements.

Operational risks are a distinct risk category that the company manages within acceptable levels through sound operational risk management practices. These practices form part of the daily responsibilities of management at all levels. The objective of operational risk management is to ensure control over the company's resources by protecting its assets and minimizing the likelihood of financial loss.

The company's approach to risk management includes identifying, assessing, managing, mitigating, monitoring, and measuring risks associated with its operations. A primary objective of operational risk management is to minimize the impact of losses incurred during the normal course of business, avoid expected losses, and prevent or reduce the likelihood of incurring significant (unforeseen) losses.

Risks Related to Risk Management Policies and Procedures

The nature of the company's business involves numerous risks that are inherent to its operations. Therefore, some losses incurred by the company as a result of these activities are inevitable. However, the company's success in overcoming these losses stems from its ability to create a balance between the risks it may face and the returns it generates. This requires the company to carefully manage its risks. The company has developed and updated strategies and procedures specific to its operations for risk management, which includes credit risk, asset and liability management risk, market risk, and operational risk. Risk management policies rely on monitoring historical market behavior. The company anticipates the future direction of economic variables and considers probabilities, which represent the most likely outcomes and their consistency with information used by the company for other purposes, such as strategic planning and financial budgeting, reflecting both optimistic and pessimistic outcomes. Therefore, these policies may fail to accurately predict future risks, which could exceed the expected risks in magnitude and whose nature and complexity may change rapidly over time. Consequently, the company's exposure to unknown risks will have a significant negative impact on its financial position and operating results.

Equity Price Risk

The company's listed equity investments are subject to price risk due to uncertainty in the fair value of the investment securities. The company manages equity price risk through diversification, setting investment limits, and continuously monitoring developments in international equity and financial markets. In addition, key factors affecting stock and bond market movements are monitored, including an analysis of the operational and financial performance of investee companies. The table below details the investment exposure and its impact on equity as a percentage change in equity prices.

Markets In thousands of Saudi Riyals	31 December 2025	Sensitivity	
Fair Value Investments Through Profit or Loss		Ratio	Profit
Saudi Arabia	27,404	2% -/+	548 -/+

Markets In thousands of Saudi Riyals	31 December 2024	Sensitivity	
Fair Value Investments Through Profit or Loss		Ratio	Profit
Saudi Arabia	4,627	2% -/+	93 -/+



Fair Value of Financial Instruments

Fair value is the amount that would be received for the sale of an asset or paid for the transfer of a liability in a regular transaction between market participants at the measurement date. The measurement of fair value assumes that the sale of the asset or transfer of the liability would occur either:

- in the primary market for the asset or liability, or
- in the best-preferred market for the asset or liability

in the absence of a primary market.

The primary or best-preferred market must be available to the company.

Fair Value Hierarchy

The Company uses the following hierarchy when determining and disclosing the fair value of financial instruments using the following valuation methods:

Level 1: Listed (unadjusted) prices of similar assets and liabilities in an active financial market.

Level 2: Other valuation methods where all inputs are observable and have a significant impact on the recorded fair value, directly or indirectly.

Level 3: Valuation methods that use inputs that have a significant impact on the recorded fair value but are not based on observable market data.

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

31 December 2025 (in thousands of Saudi Riyals)	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Assets at Fair Value through Profit or Loss - Current and Non-Current	106,743	34,883	36,073	35,787	106,743

31 December 2024 (in thousands of Saudi Riyals)	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Assets at Fair Value through Profit or Loss - Current and Non-Current	109,496	29,865	44,376	35,255	109,496



The fair values of margin lending receivables, Murabaha financing, cash and cash equivalents, cash collateral held by the Securities Clearing Center Company, receivables, and other assets recorded at amortized cost do not differ materially from the book values reported in the financial statements, as current market commission rates for similar financial instruments do not differ materially from the contracted rates, and maturity dates. These financial instruments have maturities of less than 12 months. There is no active market for these instruments, and the company intends to realize the carrying amount of these financial instruments through settlement with the other party at maturity.

Valuation Methods and Significant Non-Monitoring Inputs

The following tables show the valuation methods used to measure Level 2 and Level 3 fair values.

Type	Fair value in SAR thousands	Valuation method	Non-monitoring key inputs	Sensitivity towards changes in Non-monitoring key inputs
Yaqeen Arar Hills Fund	1,757	Market approach	Market value per square meter of land area: - Residential area: SAR 385 to 484/m ² Mixed-use area: SAR 652 to 670/m ² - Commercial area: SAR 815 to 1,620/m ²	Will increase/ (decrease) the estimated fair value will decrease by approximately SAR 0,201 million if the market value per square meter of land is 10% higher (lower).
Cash generating Yaqeen Fund	22,655	Income approach	Projected cash flows - December 31: SAR 10,85 million 2025: SAR 11,66 million - Discount rate - December 31: 9,42 %	The estimated fair value will increase / decrease by approximately SAR 2,3 million if the projected cash flows are 10% higher (lower). The estimated fair value will increase / decrease by approximately SAR 1 million if the discount rates are 1% lower (higher).
Funding Murabaha Fund	11,375	Discounted cash flows	- Discount rate according to market conditions - December 31, 2025 : 7,1 % - 15%	The estimated fair value will increase / decrease by approximately SAR 1,4 million if the discount rates are 1% higher (lower).
Yaqeen Gold Fund	2,576	Net Asset Value Distributed on Tadawul	-	-
Yaqeen Murabaha Fund In SAR	32,901	Net Asset Value Distributed on Tadawul	-	-
Opportunities Fund	596	Net Asset Value Distributed on Tadawul	-	-



This includes the company's investments in the Yaqeen Murabaha Fund in SAR and the Yaqeen Murabaha Financing Fund.

There were no transfers between Level 1, Level 2, and Level 3 during the reporting periods.

The following table shows the reconciliation of the opening balance with the closing balance of the Level 3 fair value.

(in thousands of Saudi Riyals)	31 December 2025	31 December 2024
Balance at the beginning of the year	35,255	29,901
Purchases during the year	-	11,500
Sold during the year	-	(10,000)
Net change in investments at fair value through profit or loss Unrealized fair value gain for the year	532	3,854
Balance at the end of the year	35,787	35,255



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Annual Review of the Effectiveness of Internal Control Procedures



10. Annual Review of the Effectiveness of Internal Control Procedures

The executive management is responsible for establishing and maintaining an effective internal control system within the company. This system encompasses all policies, procedures, and processes designed under the supervision of the Board of Directors to achieve the company's strategic objectives. The review is based on periodic reports submitted to the Audit Committee by the executive management, reports from external and internal auditors, meetings with relevant department heads to discuss the content of these reports and their departments' performance, and annual assurances and disclosures obtained from the executive management.

The committee found no indication of any fundamental deficiencies in the design or effectiveness of the company's internal control system. Based on the information and reports presented to it, the committee believes that the company's internal control system operates with a reasonable degree of effectiveness and efficiency, commensurate with the nature and size of the company's operations and the requirements of the relevant regulatory environment.



Regular Payments to Government Entities



11. Regular Payments to Government Entities

Payments to government entities during the year 2025 amounted to the following:

Statement	Amount (Thousands of Saudi Riyals)
Zakat and Tax	15,301
Capital Market Authority	338
General Organization for Social Insurance	3,602
Visas and Residency Permits	131
Total	19,372



Violations Imposed on the Company During the Year 2025

12. Violations Imposed on the Company During the Year 2025

Type of Violation	Entity Imposing the Violation	Details of the Violation	Amount	Methods of Addressing and Preventing its Recurrence in the Future
-	-	-	-	-





Material Transactions, Conflicts of Interest, and Transactions with Related Parties



13. Material Transactions, Conflicts of Interest, and Transactions with Related Parties

In accordance with the provisions of Article (27), Paragraph (1) of the Companies Law, which stipulates that "The company's manager, or any member of its board of directors, may not have any direct or indirect interest in the business and contracts concluded on behalf of the company, except with the authorization of the partners, the general assembly, the shareholders, or their designees." During 2025, the company did not enter into any significant transactions involving material interests with any member of the Board of Directors, the CEO, the CFO, or any other related party, except as detailed below:

All contracts and transactions entered into by the company with related parties were conducted under the same terms and conditions as other transactions.

- **Contract :** Falcom Company (a major shareholder) has dealt with Yaqeen Capital Company (Yaqeen Capital) through an investment account for the purpose of managing its investment portfolio. The total management fees received by Yaqeen Capital Company (Yaqeen Capital) during the fiscal year ending December 31, 2025, amounted to SAR 366,798.

Term: Not specified

- **Contract:** Al-Naifat Finance Company, (a subsidiary of the main shareholder), dealt with Yaqeen Capital Company (Yaqeen Capital) through an investment account for buying and selling Sharia-compliant commodities, for the purpose of executing commodity purchases used in Murabaha contracts for its clients. The total commissions and management fees received by Yaqeen Capital Company (Yaqeen Capital) during the fiscal year ending December 31, 2025, amounted to SAR 899,539 for managing the investment portfolio and executing commodity purchases. The value of deposits made by Al-Naifat Finance Company into the investment account with Yaqeen Capital Company during the same period amounted to SAR 35,000,000.

Term: Not specified

- **Contract:** The company invested with the Yaqeen Murabaha Fund. The investment during the year ending As of December 31, 2025, SAR 11,375,086 (eleven million, three hundred and seventy-five thousand, eighty-six Saudi Riyals).

Term: Not specified

Member: Mr. Ahmed Al-Shabana

Interest : Board Member of Yaqeen Capital Company (Yaqeen Capital), Managing Director, CEO, and Fund Manager. Chairman of the Board of Directors of the Yaqeen Murabaha Financing Fund.

Note: The Finance Department manages excess liquidity by linking it to Murabaha contracts, either through banks or the aforementioned fund, based on market Murabaha rates and the specified period.

- **Contract:** The company invested with the Yaqeen Murabaha Fund in Saudi Riyals. The investment during the year ending December 31, 2025, amounted to SAR 32,901,106 (thirty-two million, nine hundred and one thousand, one hundred and six Saudi Riyals).

Term: Three months

Member: Mr. Ahmed Al-Shabana

Interest : Board Member of Yaqeen Capital Company (Yaqeen Capital) The Managing Director and CEO is the Fund Manager. The Chairman of the Board of Directors of the Yaqeen Murabaha Fund in Saudi Riyals.

Note: The Finance Department manages excess liquidity by linking it to Murabaha contracts, either through banks or through the aforementioned fund, based on market Murabaha rates and the specified period.

- **Contract :** The company invested in the Yaqeen Gold Fund. The investment during the year ending December 31, 2025, amounted to SAR 2,575,885 (two million, five hundred and seventy-five thousand, eight hundred and eighty-five Saudi Riyals).

Duration: Not specified



Member: Mr. Ahmed Al-Shabana

Interest : Board Member of Yaqeen Capital Company (Yaqeen Capital), Managing Director and CEO of the Fund Manager.

Chairman of the Board of Directors of the Yaqeen Gold Fund.

Note: The company has invested in the Yaqeen Gold Fund since its inception.

- **Contract:** The company invested in the Yaqeen Saudi Equity ETF. The investment for the year ending December 31, 2025, amounted to SAR 6,911,612 (six million, nine hundred and eleven thousand, six hundred and twelve Saudi Riyals).

Duration: Not specified

Member: Mr. Ahmed Al-Shabana

Interest : Board Member of Yaqeen Capital Company (Yaqeen Capital), Managing Director and CEO of the Fund Manager, Chairman of the Board of Directors of the Yaqeen Saudi Equity ETF.

Note: Yaqeen Capital Company acts as the market maker for the Fund.

- **Contract:** The company invested in the Yaqeen Petrochemicals ETF. The investment for the year ending December 31, 2025, amounted to SAR 566,617 (five hundred and sixty-six thousand, six hundred and seventeen Saudi Riyals).

Term: Not specified

Member: Mr. Ahmed Al-Shabana

Interest : Board Member of Yaqeen Capital Company (Yaqeen Capital), Managing Director and CEO of the Fund Manager. Chairman of the Board of Directors of the Yaqeen Petrochemicals ETF.

Note: Yaqeen Capital Company acts as the market maker for the Fund.

- **Contract:** The company invested in the Yaqeen S&P ESG MENA ETF. The investment for the year ending December 31, 2025, amounted to SAR 9,804,130 (nine million, eight hundred and four thousand, one hundred and thirty Saudi Riyals).

Term: Not specified

Member: Mr. Ahmed Al-Shabana

Interest : Board Member of Yaqeen Capital Company (Yaqeen Capital), Managing Director and CEO of the Fund Manager. Chairman of the Board of Directors of the Yaqeen S&P ESG traded in the Middle East and North Africa.

Note: Yaqeen Capital Company acts as the market maker for the fund.

- **Contract:** The company invested in the Yaqeen Opportunities Fund. The investment for the year ending December 31, 2024, amounted to SAR 596,493 (five hundred ninety-six thousand four hundred ninety-three Saudi Riyals).

Term: Not specified

Member: Mr. Ahmed Al-Shabana

Interest : Board Member of Yaqeen Capital Company (Yaqeen Capital), Managing Director and CEO, Fund Manager. Chairman of the Board of Directors of the Yaqeen Opportunities Fund.

Note: The company has invested in the Yaqeen Opportunities Fund since its inception.

- **Contract:** The company invested in the Arar Fund. The investment for the year ending December 31, 2025, amounted to SAR 1,756,822 (one million seven hundred fifty-six thousand eight hundred twenty-two Saudi Riyals).

Term: Not specified

Member: Mr. Ahmed Al-Shabana

Interest : Board Member of Yaqeen Capital Company (Yaqeen Capital) and Managing Director The CEO of the fund manager is the Chairman of the Board of Directors of the Arar Fund.

Note: The company has invested in the Arar Fund since its inception. It is a real estate fund.

- **Contract:** The company invested with the Yaqeen Income-Generating Fund. The investment during the year ending December 31, 2025, amounted to SAR 22,654,518 (twenty-two million, six hundred and fifty-four thousand, five hundred and eighteen Saudi Riyals).

Duration: Not specified

**Member: Mr. Ahmed Al-Shabana.**

Interest : Member of the Board of Directors of Yaqeen Capital Company (Yaqeen Capital), Managing Director, and CEO of the Fund Manager.

Chairman of the Board of Directors of the Yaqeen Income-Generating Fund.

Note: The company has invested in the Yaqeen Income-Generating Fund since its inception. It is a real estate fund.

- **Contract:** The company contracted with the Yaqeen Income-Generating Fund, a fund managed by the company, for an amount of SAR 3,232,460 (three million, two hundred and thirty-two thousand, four hundred and sixty Saudi Riyals) annually, including 10% of the rental value for services. General. Excluding VAT, this is for the rental of a portion of the fund's building in Al-Wurud District, Olaya Road, with an area of 2099 square meters.

Term: 5 years

Member: Mr. Ahmed Al-Shabana

Interest : Board Member of Yaqeen Capital Company (Yaqeen Capital), Managing Director and CEO of the Fund Manager.

Chairman of the Board of Directors of the Yaqeen Income-Generating Fund.

Note: The company entered into a 5-year contract at a rate of SAR 1400 per square meter, commencing in 2023. Management believes, based on real estate appraisals in the area, that this price per square meter is appropriate given the long lease term.



14. Disclaimer:

This annual report may contain forward-looking statements or projections regarding Yaqeen Capital Company ("Yaqeen" or the "Company"), its financial position, and its performance, as well as certain of its plans, intentions, expectations, assumptions, objectives, and beliefs. These statements include all matters that are not historical facts but are generally inferred from the use of words such as "see," "believe," "expect," "intend," "plan," "target," or "seek," or from the use of future tenses and similar-sounding words, including projections related to the Company's initiatives in the areas of digital transformation, governance, and sustainability.

Current and prospective investors should be aware that forward-looking statements are not a guarantee of Yaqeen Capital Company's future performance, and that its actual financial position, performance, and the development of the financial services sector and the markets in which it operates may differ from those expressed in such projections. Even if the results are in line with these projections, they may not be indicative of future results. Factors that could cause a material difference between actual results and the company's expectations include, but are not limited to:

- The performance of the Saudi Stock Exchange (Tadawul) and global financial markets.
- Changes in commission rates, profit margins, and interest rates, and their impact on financing costs and investment income.
- Risks related to the company's direct investments and real estate portfolios.
- Macroeconomic conditions in Saudi Arabia and fiscal and monetary policies.
- Regulatory changes by the Capital Market Authority (CMA) or other regulatory bodies.
- Operational and technical risks related to trading systems and digital platforms.
- The ability to attract and retain qualified and skilled personnel.
- Credit and liquidity risks related to the company's operations and its clients.

The "Risk Management" and "Financial Analysis" sections of the annual report contain a detailed presentation of the factors affecting the company's performance. In light of these risks, forward-looking statements may not materialize as expressed or may not materialize at all.

Forward-looking predictions are valid as of the date of this report, and the company undertakes no obligation to update or amend any of them as a result of new information or future events. All projections attributed to the company or its representatives are subject to this disclaimer and should not be placed undue reliance on them.

It should be noted that the financial information is derived from the consolidated financial statements of Yaqeen Capital Company, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the Kingdom. Certain figures and percentages may be rounded for convenience, which may result in discrepancies between the final figures and the final totals presented. The document may also include "non-IFRS financial measures" used by management to provide a deeper understanding of the results, which should not be considered a substitute for official accounting standards.