

YAQEEEN FINANCIAL (YAQEEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
together with
INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2025

YAQEEN FINANCIAL (YAQENN CAPITAL) COMPANY

(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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KPMG Professional Services Company

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report

To the shareholders of Yaqeen Financial (Yaqeen Capital) Company

Opinion

We have audited the consolidated financial statements of **Yaqeen Financial (Yaqeen Capital) Company** (the "Company"), and its subsidiary (collectively referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISA") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the "Code"), that is endorsed in the Kingdom of Saudi Arabia, as applicable to audits of the audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current year. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Independent auditor's report

To the shareholders of Yaqeen Financial (Yaqeen Capital) Company (continued)

Key audit matter (continued)	
Valuation of investments in units of private real estate funds – held at fair value through profit or loss (“FVPTL”)	
See Notes 3.9 and Note 7 and to the consolidated financial statements	
Key audit matter	How the matter was addressed in our audit
<p>The carrying value of the Group’s investments held in the units of private real estate funds (‘investee funds’) – held at fair value through profit or loss (FVTPL) amounted to SR 24.4 million as at 31 December 2025.</p> <p>The valuation of investment in private real estate investment funds are materially affected by the estimates and judgements that underpin the valuation of real estate (non-financial) assets held by the investee funds, which make up majority of those funds’ underlying assets.</p> <p>We have identified the assessment of the reasonableness of the fair value estimates of the Group’s investment in the units of private real estate funds as a key audit matter due to the magnitude of the Group’s investment therein and the application of complex valuation techniques which often involve the exercise of judgments by the Group’s management and the use of assumptions.</p>	<p>Our key audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group’s process for valuation of investments in units of private real estate funds; • Assessed the design and implementation of controls over valuation of private real estate investments funds; • Obtained the investments’ Net Asset Values (“NAVs”) from management and agreed the NAVs with the corresponding management accounts of respective investee funds. • Obtained real estate valuation reports from the Group, pertaining to the real estate assets held by the investee funds, and involved our real estate valuation specialists to review the valuation methodology and assess the reasonableness of assumptions, particularly around the discount rate, growth rate, occupancy rate etc. used to arrive at the fair values of the investee funds’ real estate assets. • On sample basis, we tested the completeness and accuracy of input data supporting the underlying valuation of investments in private real estate funds as at 31 December 2025. • Assessed the adequacy of financial statement disclosure pertaining to the Group’s investment in investee funds with respect to requirements of IFRS.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Independent auditor's report

To the shareholders of Yaqeen Financial (Yaqeen Capital) Company (continued)

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, and the Company's By-Laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the ISA that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists then, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report

To the shareholders of Yaqeen Financial (Yaqeen Capital) Company (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Yaqeen Financial (Yaqeen Capital) Company** (the "Company") and its subsidiary (the "Group").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services Company

Saleh Mohammed S Mostafa
License Number: 524

Al Riyadh: 28 Ramadan 1447AH
Corresponding to: 17 March 2026



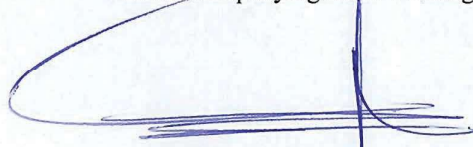
YAQEEEN FINANCIAL (YAQEEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Amount in Saudi Riyals thousands unless otherwise stated)

	<i>Notes</i>	31 December 2025	31 December 2024
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	4	24,404	51,605
Margin deposits with Muqassa	5	25,548	25,054
Margin lending and Murabaha financing	6	127,974	100,225
Investments held at fair value through profit or loss	7	54,664	68,911
Accounts receivables	8	33,751	30,258
Other assets	9	1,697	2,227
Total current assets		268,038	278,280
Non-current assets			
Investments held at fair value through profit or loss	7	52,079	40,585
Property and equipment		854	1,108
Right of use asset	10	4,783	6,731
Total non-current assets		57,716	48,424
Total assets		325,754	326,704
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current liabilities			
Accounts payable and accruals	11	12,927	18,029
Current portion of lease liability	10	2,776	1,758
Zakat and income tax payable	12	7,074	7,404
Total current liabilities		22,777	27,191
Non-current liabilities			
Employees' end of service benefits	13	15,326	15,118
Lease liability	10	2,573	5,977
Total non-current liabilities		17,899	21,095
Total liabilities		40,676	48,286
Shareholders' equity			
Share capital	14	255,000	150,000
Re-measurement EOSB recognized in OCI		(5,853)	(6,924)
Statutory Reserve	15	2,627	2,118
Retained earnings		32,803	133,224
Total shareholders' equity		284,577	278,418
Non-controlling interest		501	-
Total equity		285,078	278,418
Total liabilities and equity		325,754	326,704

The accompanying notes 1 through 29 form an integral part of these consolidated financial statements.



Abdullah Mohammed
Abdullah AlShmassi
Chairman



Ahmed I. Al-Shabanah
Chief Executive Officer



Abdulaziz Abdullah AlMohareb
Chief Financial Officer

YAQEEEN FINANCIAL (YAQEEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025
(Amount in Saudi Riyals thousands unless otherwise stated)

	<i>Notes</i>	31 December 2025	31 December 2024
Revenue			
Commission on brokerage services		7,534	11,557
Management and subscription fee from mutual funds		24,162	18,384
Advisory services income		31,239	41,558
Income from Murabaha investments		9,344	8,578
Income from Murabaha financing		3,538	3,952
(Loss) / gain on investments at fair value through profit or loss	7	(4,526)	4,119
Dividends		2,036	1,331
Total revenue		73,327	89,479
Other income		263	-
Total income		73,590	89,479
Expenses			
Salaries and employee related expenses		(44,837)	(47,064)
Other general and administrative expenses	17	(15,989)	(14,337)
Finance cost	10	(554)	(730)
(Loss) / reversal of allowance for expected credit losses		(222)	425
Reversal of loss on customers' accounts	18	-	729
Total expenses		(61,602)	(60,977)
Profit before zakat		11,988	28,502
Zakat expense	12	(6,883)	(7,324)
Profit for the year		5,105	21,178
Other Comprehensive Income			
Items that will not be reclassified into profit or loss account			
Remeasurement of employee end of service benefit	13	1,071	(1,415)
Total comprehensive income for the year		6,176	19,763
Net income attributable to:			
- Equity holders of the parent		5,088	21,178
- Non controlling interest		17	-
		5,105	21,178
Earnings per share			
Basic and diluted - restated	25	0.20	0.83

The accompanying notes 1 through 29 form an integral part of these consolidated financial statements.



Abdullah Mohammed
Abdullah AlShmassi
Chairman



Ahmed I. Al-Shabanah
Chief Executive Officer

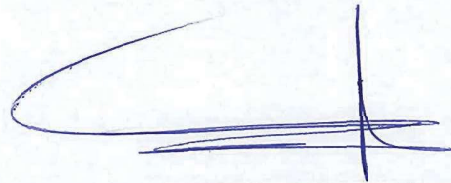


Abdulaziz Abdullah AlMohareb
Chief Financial Officer

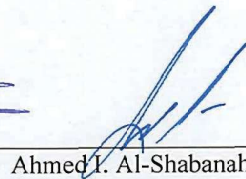
YAQEEN FINANCIAL (YAQEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025
(Amount in Saudi Riyals thousands unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total Shareholder's equity</u>	<u>Non-Controlling interest</u>	<u>Total equity</u>
Balance at 1 January 2025	150,000	2,118	(6,924)	133,224	278,418	-	278,418
Acquisition of subsidiary	-	-	-	-	-	484	484
Net income for the year	-	-	-	5,088	5,088	17	5,105
Other comprehensive income for the year	-	-	1,071	-	1,071	-	1,071
Total comprehensive income for the year	-	-	1,071	5,088	6,159	17	6,176
Transfer to statutory reserve	-	509	-	(509)	-	-	-
Issue of bonus shares during the year	105,000	-	-	(105,000)	-	-	-
Balance as at 31 December 2025	255,000	2,627	(5,853)	32,803	284,577	501	285,078
Balance at 1 January 2024	150,000	20,108	(5,509)	94,056	258,655	-	258,655
Net income for the year	-	-	-	21,178	21,178	-	21,178
Other comprehensive income for the year	-	-	(1,415)	-	(1,415)	-	(1,415)
Total comprehensive income for the year	-	-	(1,415)	21,178	19,763	-	19,763
Transfer from statutory reserve	-	(20,108)	-	20,108	-	-	-
Transfer to statutory reserve	-	2,118	-	(2,118)	-	-	-
Balance as at 31 December 2024	150,000	2,118	(6,924)	133,224	278,418	-	278,418

The accompanying notes 1 through 29 form an integral part of these consolidated financial statements.



Abdullah Mohammed
Abdullah AlShmassi
Chairman



Ahmed I. Al-Shabanah
Chief Executive Officer



Abdulaziz Abdullah
AlMohareb
Chief Financial Officer

YAQEEN FINANCIAL (YAQEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CASHFLOWS (CONTINUED)

For the year ended 31 December 2025
(Amount in Saudi Riyals thousands unless otherwise stated)

	<i>Notes</i>	31 December 2025	31 December 2024
CASHFLOWS FROM OPERATING ACTIVITIES			
Net income before zakat for the year		11,988	28,502
Adjustments for non-cash and other items:			
Depreciation of property and equipment	17	514	506
Depreciation on right of use assets	10	1,948	1,948
Other Income		(263)	-
Income from Murabaha investments		(9,344)	(8,578)
Income from Murabaha financing		(3,538)	(3,952)
Fair value loss / (gain) from investments at FVTPL – net	7	4,526	(4,119)
Dividend income		(2,036)	(1,331)
Provision for employee end of service benefits	13	2,687	2,255
Other general and administrative expenses		288	294
Finance costs	10	554	730
Loss / (reversal) of allowance for expected credit losses		222	(425)
Reversal of loss on customers' accounts		-	(729)
Changes in operating assets and liabilities:			
Increase in margin deposit with Muqassa		(494)	(2,592)
Increase in margin lending and Murabaha financing		(27,744)	(13,788)
Decrease in due from related parties		-	2,011
Increase in other assets		(7,095)	(63)
Decrease in account receivables		3,851	78
(Decrease) / increase in accounts payable and accruals		(4,304)	395
Purchase of investments at FVTPL	7	(97,649)	(142,663)
Proceeds from disposal of investments at FVTPL	7	85,876	101,623
Net cash used in operations		(40,013)	(39,898)
Employee end of service benefits paid	13	(1,408)	(4,395)
Zakat paid	12	(7,213)	(16,436)
Finance cost paid		(1,181)	(1,192)
Lease service cost paid		(294)	(441)
Income received from Murabaha investment		9,335	8,665
Income received from Murabaha financing		3,533	3,918
Dividend income received		2,036	1,264
Net cash used in operating activities		(35,205)	(48,515)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment		(259)	(751)
Proceeds from disposal of property and equipment		6	-
Net cash used in investing activities		(253)	(751)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities		(1,759)	(3,215)
Proceeds from subscription of units		10,000	-
Net cash generated from / (used in) financing activities		8,241	(3,215)
Net change in cash and cash equivalents		(27,217)	(52,481)
Forex loss		16	-
Cash and cash equivalents at the beginning of the year		51,605	104,086
Cash and cash equivalents at the end of the year	4	24,404	51,605

The accompanying notes 1 through 29 form an integral part of these consolidated financial statements.

Abdullah Mohammed
Abdullah AlShmassi
Chairman

Ahmed I. Al-Shabanah
Chief Executive Officer

Abdulaziz Abdullah
AlMohareb
Chief Financial Officer

YAQEEEN FINANCIAL (YAQEEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Amount in Saudi Riyals thousands unless otherwise stated)

1. GENERAL

Yaqeen Financial (Yaqeen Capital) Company (the “Company or the Group”), (Saudi Joint Stock Company), was incorporated in Kingdom of Saudi Arabia and was formed pursuant to the Ministerial Resolution number 2631 dated 10 Ramadan 1427H (corresponding to 3 October 2006). The Company operates under Commercial Registration number 1010226584, dated 4 Dhu Al Hijjah 1427H (corresponding to 25 December 2006) in Riyadh, through its two branches in the Kingdom of Saudi Arabia.

The Company has the following branches in the Kingdom Saudi Arabia and the results, assets, and liabilities, of the following branches are included in this financial information.

<u>S. No</u>	<u>Commercial Registration Number</u>	<u>Date (Hijri)</u>	<u>City</u>
1	2051062669	24 Ramadan 1437	Khobar
2	4030290109	24 Ramadan 1437	Jeddah

The address of the Company’s principal place of business is as follows:

Yaqeen Capital Company
P.O. Box 884
Riyadh 11421, Kingdom of Saudi Arabia

The Company obtained license (number 37-06020) from the Capital Market Authority (“CMA”) on 19 February 2006 to perform the following securities related activities:

1. Act as principal, agent, and underwriter,
2. Manage and establish mutual funds and portfolios,
3. Provide arranging services,
4. Provide advisory services, and
5. Provide custodial services for the purposes attributable to mutual funds and management of portfolios and brokerage for international equity.

The consolidated financial statements comprise of consolidated financial statements of Yaqeen capital Company and its subsidiary (hereinafter collectively referred to as a “the Group”).

The details of the Group subsidiaries are as follows:

Name of the Subsidiary	Ownership as at 31 December 2025	Description
Yaqeen S&P ESG MENA ETF Fund	95.17%	The open-ended equity fund is established to invest primarily in equity securities listed on stock exchanges across the Middle East and North Africa (MENA) region.

2. BASIS OF PREPARATION

(i) Statement of compliance

The accompanying consolidated financial statements presenting the operations conducted by the Group for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

(ii) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for fair value of investments held at fair value through profit or loss and the employees’ end-of-service benefits, which have been valued by an independent actuary using the Projected Unit Credit Method. The consolidated statement of financial position has been presented in current and non-current classification.

YAQEEN FINANCIAL (YAQEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Amount in Saudi Riyals thousands unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

(iii) Going concern

The Group's management has assessed its ability to continue as a going concern and it is satisfied that it has sufficient financial resources and that it will be able to continue as a going concern in the foreseeable future. Furthermore, the Group and the management are not aware of any other material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, these consolidated financial statements are prepared on a going concern basis.

(iv) Functional and presentation currency

These consolidated financial statements are presented in Saudi Arabian Riyals (SAR), which is also the functional currency of the Group.

(v) New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have an impact on these consolidated financial statements of Group.

Standard/ Interpretation	Description	Effective from years beginning on or after
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. The amendment sets out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

New standards not yet effective and not early adopted:

Standard/ Interpretation	Description	Effective from years beginning on or after
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

YAQEEEN FINANCIAL (YAQEEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025
(Amount in Saudi Riyals thousands unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

(v) New standards, interpretations and amendments adopted by the Company (continued)

Standard/ Interpretation	Description	Effective from years beginning on or after
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

Except for IFRS 18, the management has assessed that the above amendments have no significant impact on the Company's consolidated financial statements.

The Company has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards which have been published and are mandatory for compliance with effect from future dates.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2025. The material accounting policies applied in the preparation of these consolidated financial statements are set out below.:

3.1 BASIS OF CONSOLIDATION

These consolidated financial statements comprise the assets, liabilities and the results of operations of the Group. Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

YAQEEEN FINANCIAL (YAQEEEN CAPITAL) COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025
(Amount in Saudi Riyals thousands unless otherwise stated)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 BASIS OF CONSOLIDATION (CONTINUED)

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances including Board and shareholders reserve matters in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- the contractual arrangement with other vote holders of the investee;
- rights arising from other contractual arrangements including Board and Shareholders' reserved matters as included in the shareholder agreement; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consistent accounting policies are used across the Group and if required, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.2 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its financial assets carried at amortized cost and FVOCI (if any).

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant change in credit risk on an ongoing basis throughout each reporting period. The impairment model was developed considering probability of default and loss given default which were derived from historical data of the Company and are adjusted to reflect the expected future outcome which includes macroeconomic factors such as inflation and gross domestic product growth rate.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 (a) Performing financial assets:

For financial assets, a credit loss is calculated as the present value (at effective profit rate) of the difference between:

- (a) the contractual cash flows that are due to an entity under the contract; and
- (b) the cash flows that the entity expects to receive.

The financial assets of the Company are categorized as follows:

These represent the financial assets where counterparties do not have significant increase in credit risk and have a strong capacity to meet contractual cash flows.

As per the management past due information is the most appropriate basis for assessing the increase in credit risk in the Company and based on their experience and analysis, the balances which are less than 30 days past due does not result in significant increase in credit risk and therefore, considered as performing.

The Company measures the loss allowance for performing financial assets at an amount equal to 12-month expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. 12-month expected credit losses are the portion of expected credit losses that results from default events on the financial assets that are possible within 12 months after the reporting date.

3.2 (b) Underperforming financial assets:

These represent the financial assets where there is a significant increase in credit risk and that is presumed if a debtor is more than 30 days past due in making a contractual payment/ installment.

The Company measures the loss allowance for underperforming financial assets at an amount equal to life-time expected credit losses.

3.2 (c) Non-performing financial assets:

These represent defaulted financial assets. A default on a financial asset is considered when the debtor fails to make a contractual payment/ installment within 180 days after they fall due.

The Company measures the loss allowance for non-performing financial assets at an amount equal to life-time expected credit losses.

3.2 (d) Write offs:

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. Where financial assets are written off, the Company continues to engage in enforcement activities to attempt to recover the receivable due. Where recoveries are made, after write-off, they are credited against the (charge) / reversal of allowance for expected credit losses "ECL".

3.3 Margin lending and murabaha financing

Margin lending and murabaha financing are recognized when cash is advanced to the borrowers. They are derecognized when either the borrower repays their obligations, when the contractual rights from the cashflows are expired or the balance is sold or written-off, or substantially all the risks and rewards of ownership are transferred to another party. These facilities are advanced to customers for the purpose of investments and trading in shares. The Company classified all margin lending and murabaha financing facilities at amortized cost model.

If the terms of the contracts are modified, then the Company evaluates whether the cashflows from the modified assets are substantially different. If the cashflows are substantially different then the contractual rights to cashflows from the original contracts are deemed to be expired.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Margin lending and murabaha financing (continued)

Margin lending and murabaha financing are carried at the amount advanced to the customers, including related transaction cost less allowance for credit losses, if any. An allowance against expected credit losses incorporates forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. A macroeconomic adjustment is applied in order to incorporate forward looking outcome.

3.4 Investment management services

The Company offers investment services to its customers which include management of certain investment funds. The Company's share of these funds is included in investment in mutual funds. Assets held in trust or in a fiduciary capacity, if any, are not treated as assets of the Company and, accordingly, are not included in the consolidated financial statements.

3.5 Zakat

The Company is subject to zakat in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Provision for zakat is charged to the profit or loss section of the statement of comprehensive income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

The Company withholds taxes, if any, on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under the Tax Law.

3.6 Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation on assets is charged to the statement of comprehensive income, using the straight-line method, to allocate the costs of the related assets to their residual values over the following estimated useful lives:

Leasehold improvements	useful life or lease term whichever is shorter
Furniture and fixtures	4-5 years
Motor vehicles	5 years
Computers	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in statement of comprehensive income.

Maintenance and normal repairs, which do not materially extend the estimated useful life of an asset, are charged to the statement of comprehensive income as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

3.7 Revenue

The revenue of the Company is broadly categorised as:

- (a) Contract with customers (including brokerage income, advisory income and management and subscription fees)
- (b) Dividend income
- (c) Net trading income
- (d) Special commission on murabaha financing

The related accounting policies are as follows:

Contracts with customers (including brokerage income, advisory income and asset management fees)

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Revenue (continued)

The Company recognises revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price	The transaction price is the amount of consideration to which the Company expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price	For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled to in exchange for satisfying each performance obligation.
Step 5: Recognise revenue	The Company recognises revenue (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

Based on the above five steps the revenue recognition policy for each revenue stream is as follow:

3.7 (a) Brokerage income

Brokerage income is recognised when the related transactions are executed on behalf of the customers at the price agreed in the contract with the customers, net of discounts and rebates. The performance obligation of the Company is satisfied when the Company carries out the transaction, which triggers immediate recognition of the revenue, as the Company will have no further commitments. The Company recognizes the revenue at a point in time against the brokerage income. The primary geographical market for brokerage income services is Kingdom of Saudi Arabia.

3.7 (b) Management fees from mutual funds

Management fees from the mutual funds are recognised based on a fixed percentage of net assets under management (“asset-based”), or a percentage of returns from net assets (“returns-based”) subject to applicable terms and conditions and service contracts with customers and funds. The Company attributes the revenue from management fees to the services provided during the year,

3.7 (b) Management fees from mutual funds (continued)

because the fee relates specifically to the Company’s efforts to transfer the services for that period. As asset management fees are not subject to clawbacks, the management does not expect any significant reversal of revenue previously recognised. The Company recognizes the revenue over a period of time against the asset management fees. The primary geographical market for asset management service is Kingdom of Saudi Arabia.

3.7 (c) Advisory income

This relates to income generated from providing financial advisory services to financial institutions, individual, and institutional investors. The Company recognizes financial advisory service fees over the period of time as the services are rendered, in accordance with the terms of the agreement with the counterparty. Revenue is recognized progressively reflecting the continuous transfer of value to the customer during the service period. The primary geographical market for advisory income services is the Kingdom of Saudi Arabia.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Revenue (continued)

3.7 (d) Dividend income

The dividend income is recognised in profit or loss account on the date on which Company's right to receive the payment is established.

3.7 (e) Net trading income

Net trading income comprises gain less losses related to investments and includes the fair value changes and realized gained earned on disposal of investments.

3.7 (f) Special commission income on murabaha financing

Special commission income for all special commission bearing financial instruments (murabaha financing) is recognised in the statement of comprehensive income using the effective commission rate basis. The effective commission rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. When calculating the effective commission rate, Company estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The carrying amount of the financial asset is adjusted if Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective commission rate and the change in carrying amount is recorded as impairment losses.

If a financial asset subsequently becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

The calculation of the effective yield considers all contractual terms of the financial instruments (Murabaha contract receivables) and includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective special commission rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset.

3.8 Leases

Right of use assets / lease liabilities

On initial recognition at the inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

Right of use assets

The Company applies cost model and measures the right of use assets at cost.

- (a) Less any accumulated depreciation and any accumulated impairment losses; and
- (b) Adjusted for any re-measurement of the lease liability for lease modifications

Generally, the right of use asset would equate to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the right of use asset value.

The right of use assets is subsequently depreciated under the straight-line method from the commencement date to end of the lease term.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Leases (continued)

Lease liability (continued)

On initial recognition, the lease liability is the present value of all remaining payments to the lessor.

After the commencement date, the Company measures the lease liability by:

- 1 Increasing the carrying amount to reflect the interest on the lease liability;
- 2 Reducing the carrying amount to reflect the lease payments made; and
- 3 Re-measuring the carrying amount to reflect any reassessment or any lease modification.

3.9 Critical accounting estimates and adjustments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The areas where various assumptions and estimates are significant to the Company's consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

Employees' terminal benefits liabilities

The cost of employees' defined benefit obligation and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, employee turnover rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For details of the assumptions please refer (note 19).

Determination of control over the investee

The Company performs an assessment and annually re-assesses its control over the Funds under IFRS 10 in its capacity as a fund manager. In making this assessment the Company focuses on the assessment of aggregate economic interest of the Company in the Funds and the unit holders right to remove the fund manager. On the basis of the assessment, the Company concludes as to whether it is acting as an agent for all the unit holders based on which it concludes whether or not to consolidate the financial results of the funds in its financial statements.

Assets under management and custody

The Company perform the assessment on asset held in trust in a fiduciary capacity and client money arising from the brokerage business held in designated account of Company. In performing this assessment, Company considers whether the Company can use the above assets freely for its own benefits, associated credit risk and client's rights and obligations in case of insolvency of the Bank in which those assets are held and the Company. Based on the assessment, Company concludes that all assets under management and custody should be classified as off balance.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Critical accounting estimates and adjustments (continued)

The Company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit loss (ECL). The allowance for ECL on trade and other receivables is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Margin lending and murabaha financing is normally assessed collectively unless there is a need to assess a particular debtor on an individual basis.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS 13, including the level in the fair value hierarchy in which the valuations should be classified. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Financial instruments for which fair value is measured or disclosed in financial statements are categorized within the fair value hierarchy. For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Critical accounting estimates and adjustments (continued)

Valuation of level 3 investments funds

The Company uses the NAV reports published by the fund manager for determination of fair value of the investment funds. The valuation of Company's investments in private investments funds held at fair value through profit or loss are subject to estimates and judgements that underpin the valuation of underlying assets of the funds. The significant assumptions impacting the fair value of the underlying assets include, amongst others, expected cashflows and discount rate etc. These assumptions are subject to variation primarily based on the expected cashflows, location of the underlying real estate assets and market rates of interest.

4. CASH AND CASH EQUIVALENTS

	31 December <u>2025</u>	31 December <u>2024</u>
Cash in hand	43	43
Current accounts in Banks	24,361	14,166
Short term Murabaha deposits	-	37,396
	24,404	51,605

5. MARGIN DEPOSITS WITH MUQASSA

As at 31 December 2025, the Company has deposited cash balance of SR 25.5 million (31 December 2024: SR 25.05 million) with Securities Center Company (Muqassa) who acts as an intermediary between two parties to a securities trade. Muqassa is responsible for the settlement of the transactions among the trading parties eliminating counterparty risk. Muqassa requires the Company to have margin and default fund contributions that are calculated based on trading activities as an exchange member for the past one year.

6. MARGIN LENDING AND MURABAHA FINANCING

	<i>Notes</i>	31 December <u>2025</u>	31 December <u>2024</u>
Margin lending	6.1	66,864	59,993
Murabaha financing	6.2	61,815	40,937
Allowance for expected credit losses	6.3	(705)	(705)
		127,974	100,225

6.1 The Company provides margin-lending facilities to certain clients for dealing in the local stock market through the Company. The Company has the option to liquidate the client's investment portfolio to ensure repayment of the lending amount in case of default. These facilities have tenure up to a maximum period of three months.

6.2 The Company provides Murabaha financing to its customers to acquire shares for a tenure from three to twelve month through the Company. The Company has the option to liquidate the client's investments portfolio to ensure repayment of the Murabaha amount in case of default. Such financing bears a pre-agreed profit margin ranging from 6.50% to 8.50%.

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6. MARGIN LENDING AND MURABAHA FINANCING (CONTINUED)

- 6.3 All the balances at the year-end were classified as performing. The Company has the option to liquidate the client's investment portfolio to ensure repayment of the lending amount in case of default. Outstanding amounts are subsequently settled within the tenure of the facilities. The facilities are fully collateralized. The Company is continuously monitoring the market value of the collateral of each customer and has a stop loss measure in case if its value falls by 25% of the original value of the lending portfolio, then the Company liquidates the investment up to the amount lent. During the year ended 31 December 2025, the Company has performed an impairment assessment for the outstanding balances and after considering the nature of these receivables, collateral available and history of default the Company has concluded that no material ECL allowance is required against these receivables. The gross value of non-performing portfolio of SR is 0.7 million while the fair value of the collateral held by the Company as the security for the credit impaired Murabaha financing as at 31 December 2025 is nil.

7. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

As at 31 December 2025, investment securities are classified as FVTPL comprises of following investments:

	<i>Note</i>	31 December 2025	31 December 2024
Current			
Yaqeen Saudi Equity ETF Fund (level 1)		6,912	13,319
Yaqeen Petrochemical ETF Fund (level 1)		567	1,920
Yaqeen S&P ESG MENA ETF Fund (level 1)**		-	10,000
Yaqeen Gold Fund (level 2)		2,576	5,044
Yaqeen SAR Murabaha Fund (level 2)		32,901	38,628
Yaqeen Arar Hills Funds (level 3)*		1,757	-
Equity shares (level 1)***		9,951	-
Total		54,664	68,911
Non-current			
Yaqeen Opportunistic Fund (level 2)		596	704
Yaqeen Income Generating Fund (level 3)*		22,655	22,768
Yaqeen Arar Hills Funds (level 3)*		-	1,762
Yaqeen Murabaha Financing Fund (level 3)		11,375	10,724
Equity shares - (level 1)	7.1	17,453	4,627
Total		52,079	40,585
Total investments at FVTPL		106,743	109,496

*These include the investment of the Company in real estate private funds.

** This represents an advance provided by the Company as a fund manager prior to the official launch of the fund.

*** This represents an equity share held by the Yaqeen S&P ESG MENA ETF fund.

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**7. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)
(CONTINUED)**

The movement of the investments for the year ended 31 December 2025 is as follows:

	31 December 2025	31 December 2024
Opening fair value	109,496	64,337
Consolidation of Yaqeen S&P ESG MENA ETF Fund	(10,000)	-
Units / equity shares purchased during the year	97,649	142,663
Units/equity shares redeemed / disposed during the year	(85,876)	(101,623)
Fair value (loss)/gain	(4,526)	4,119
Closing fair value	<u>106,743</u>	<u>109,496</u>

Following is the breakdown of fair value (loss)/gain from investment at FVTPL:

	31 December 2025	31 December 2024
Unrealized (loss) / gain on investments at fair value through profit or loss, net	(5,715)	3,990
Realized gain on investments at fair value through profit or loss, net	1,189	129
	<u>(4,526)</u>	<u>4,119</u>

7.1 These represent the investment in equity shares of Company listed in Saudi Stock exchange. The scrip wise details regarding the investment in the equity securities are as follows:

	31 December 2025	31 December 2024
Equity shares:		
Pan Gulf Marketing Company (Level 1)	3,663	4,627
Arabian United Float Glass Company (Level 1)	3,914	-
Yamama Cement Company (Level 1)	9,876	-
Total	<u>17,453</u>	<u>4,627</u>

8. ACCOUNTS RECEIVABLE

	31 December 2025	31 December 2024
Accrued management fees	25,861	19,499
Advisory receivables	4,602	7,317
Other receivables	3,288	3,442
	<u>33,751</u>	<u>30,258</u>

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9. OTHER ASSETS

	31 December 2025	31 December <u>2024</u>
Prepaid expenses	1,645	2,120
Loans to employees	<u>52</u>	<u>107</u>
	<u>1,697</u>	<u>2,227</u>

10. LEASES

Right of use asset

The right of use asset pertains to the head office space which the Company has taken on lease from the Income Generating Fund for a period of five years. Amounts recognized in the statement of financial position and the statement of comprehensive income in relation to right of use asset are as follows:

	31 December 2025	31 December <u>2024</u>
Balance at the beginning of the year	6,731	8,679
Depreciation charge for year	<u>(1,948)</u>	<u>(1,948)</u>
Balance at the end of the year	<u>4,783</u>	<u>6,731</u>

Lease liability

The lease liability pertains to the head office space which the Company has taken on lease from the Income Generating Fund for a period of five years. Amounts recognized in the statement of financial position and the statement of comprehensive income in relation to lease liability are as follows:

	31 December 2025	31 December <u>2024</u>
Balance at the beginning of the year	7,735	11,412
Interest expense for the year	554	730
Payment for lease liability	<u>(2,940)</u>	<u>(4,407)</u>
Balance at the end of the year	<u>5,349</u>	<u>7,735</u>
Lease liability – current	<u>2,776</u>	<u>1,758</u>
Lease liability – non-current	<u>2,573</u>	<u>5,977</u>

11. ACCOUNTS PAYABLE AND ACCRUALS

	31 December 2025	31 December <u>2024</u>
Accounts payable	4,809	5,384
Accrued employee salaries and bonus	5,295	9,587
Accrued expense to Board of directors	1,539	1,576
VAT payable	849	1,118
Others	<u>435</u>	<u>364</u>
	<u>12,927</u>	<u>18,029</u>

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12. ZAKAT AND INCOME TAX PAYABLE

a) Charge for the year

	31 December 2025	31 December 2024
Zakat charge for the year	<u>6,883</u>	<u>7,324</u>

b) Movement in provision for zakat is set out below:

	31 December 2025	31 December 2024
At the beginning of the year	7,404	16,516
Charge for the year	6,883	7,324
Payments made during the year	<u>(7,213)</u>	<u>(16,436)</u>
At the end of the year	<u>7,074</u>	<u>7,404</u>

c) Status of zakat assessments:

The Company has submitted its zakat declarations with the Zakat, Tax and Customs Authority (“ZATCA”) up to the year ended 31 December 2024. And prior year assessments are summarized as follows:

For the years from 2020 to 2024

The zakat declarations for these years is currently under ZATCA’s review and no Zakat assessments for these years were issued, except for the year 2024, where ZATCA has recently issued initial assessment with additional zakat liability of SAR 7.5 thousand, which was accepted by the company.

13. EMPLOYEES’ END OF SERVICE BENEFITS

	31 December 2025	31 December 2024
Balance as at the beginning of the year	15,118	15,843
Current services cost for the year	1,869	1,537
Finance cost on defined benefit obligations	818	718
Provision for employee end of service benefits	2,687	2,255
Payments during the year	(1,408)	(4,395)
Remeasurement (gain) / loss during the year	<u>(1,071)</u>	<u>1,415</u>
Balance as at the end of the year	<u>15,326</u>	<u>15,118</u>

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13. EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)

13.1 Key actuarial assumptions

	31 December 2025	31 December 2024
Discount rate	4.85%	5.30%
Salary growth rate	7.0%	8.0%
Rate of employee turnover	Moderate	Moderate

13.2 Sensitivity analysis for actuarial assumptions

	Increase / (decrease) in assumption	Impact on employee benefit obligations	
		31 December 2025	31 December 2024
End of service benefits:			
Discount rate	+ 0.5%	554	565
	- 0.5%	(591)	(603)
Salary growth rate	+ 0.5%	456	485
	- 0.5%	(433)	(460)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the employee end of service benefits.

13.3 Maturity profile of employee end of service benefits

The weighted average duration of the employees' end of service benefits is 6.33 years. The expected maturity analysis of undiscounted employees' end of service benefits is as follows:

	31 December 2025	31 December 2024
Distribution of timing of benefit payments (time in years)		
1 year	1,229	1,223
2 years	1,907	1,830
3 years	1,387	1,411
4 years	1,399	1,486
5 years	1,581	1,434
6 - 10 years	11,739	11,886
	19,242	19,270

14. SHARE CAPITAL

The authorized and paid-up capital of the Company as of 31 December 2025 is SR 255 million (December 31, 2024: SR 150 million) divided into 25.5 million shares, the nominal value of each share is SAR 10. During the year ended 31 December 2025, the Company issued bonus shares in the ratio of 1:0.7. Consequently, the shares capital has increased from SR 150 million to SR 255 million.

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15. STATUTORY RESERVE

In accordance with the Company's By-laws, the Company shall set aside a statutory reserve, after absorption of accumulated losses, if any, by the appropriation of 10% of net income and ordinary general assembly may decide to stop this until the reserve equals at least 30% of the share capital.

16. RELATED PARTIES

In the ordinary course of business, the Company transacts with its related parties which is based on the agreed terms. The principal related parties of the Company are Falcom Holding Company ("the major shareholder") and subsidiaries of major shareholders (the entities over which major shareholders has a significant influence).

The transactions with related parties are carried out on mutually agreed terms approved by the management of the Company. The balances with related parties are payable on demand, unsecured and commission free.

Related party balances as of 31 December 2024 were as follows:

<u>Related party name and nature of balance outstanding</u>	<u>Relationship</u>	As at 31 December <u>2025</u>	As at 31 December <u>2024</u>
Directors and Key Management	Director, Key Management		
End of service benefit obligations		5,092	6,602
Accrued Directors remuneration		1,539	1,577
Accrued Bonus		1,055	2,790
Nayifat Finance Company	Subsidiary of the major shareholder		
Accrued management fees		74	-

16.1 Significant related party transactions during the year were as follows:

	31 December <u>2025</u>	31 December <u>2024</u>
a) Falcom Holding Company – Major shareholder:		
Professional fees	-	368
Management fee	367	-
b) Nayifat Finance Company - Subsidiary of the major shareholder:		
Management fees	900	-
c) Directors and Key Management		
Short term employees' benefits	8,383	9,912
Directors' remunerations and related committees	1,776	1,809
End of service benefit obligations	500	538

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17. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2025	31 December 2024
Utilities and communication expenses	8,045	6,970
Legal and professional charges	1,151	636
Audit fees	605	530
Depreciation of property and equipment	514	506
Depreciation on right of use assets	1,948	1,948
Electricity and other utilities	720	703
Rental and premises related expenses	566	703
Marketing expenses	1,559	1,152
Insurance	167	345
Other	714	844
Total	15,989	14,337

18. REVERSAL OF LOSS ON CUSTOMER'S ACCOUNTS

In April 2022, the Company implemented a new system based on Saudi Tadawul Group's introduction of new post trade infrastructure enhancements called Post-trade Technology Program ("PTTP"). Being a newly implemented system, certain configuration issues were faced by the management which were detected during the reconciliation process on the client money accounts. A difference amounting to SR 4.25 million was noted in reconciliation, which indicated a need to have a greater amount of money in the relevant client accounts.

In compliance with Article (80) (e) of "Capital Market Institutions" the Company paid the difference from its own money into the client money accounts. The paid amount was recognized as receivable from clients and was provided in full for the year ended 31 December 2022.

19. FINANCIAL INSTRUMENT BY CATEGORY

The classification of financial assets by category is as follows:

	Amortised cost	FVTIS	FVOCI
<u>31 December 2025</u>			
Cash and cash equivalents	24,404	-	-
Margin deposit with Muqassa	25,548	-	-
Margin lending and Murabaha financing	127,974	-	-
Investments held at fair value through profit or loss	-	106,743	-
Account receivables	33,751	-	-
Other assets	52	-	-
Total financial assets	211,729	106,743	-
	Amortised cost	FVTIS	FVOCI
<u>31 December 2024</u>			
Cash and cash equivalents	51,605	-	-
Margin deposit with Muqassa	25,054	-	-
Margin lending and Murabaha financing	100,225	-	-
Investments held at fair value through profit or loss	-	109,496	-
Account receivables	30,258	-	-
Other assets	107	-	-
Total financial assets	207,249	109,496	-

As at the statement of financial position date, all financial liabilities were measured at amortised cost.

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20. FINANCIAL INSTRUMENT FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market are accessible by the Company.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amount and fair value including level in fair value hierarchy for financial assets measured at fair value. It does not include the fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial assets measured at fair value	Carrying value	Fair values			
		Level 1	Level 2	Level 3	Total
31 December 2025					
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
Fair values					
Financial assets measured at fair value	Carrying value	Level 1	Level 2	Level 3	Total
31 December 2024					
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 receivable against margin lending and Murabaha financing, cash and cash equivalents, margin deposits with Muqassa, accounts receivables, accounts payables and other financial assets which are carried at amortized cost, are not significantly different from the carrying values included in the financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates and maturities of these financial instruments are less than twelve month. An active market for these instruments is not available and the Company intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

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20. FINANCIAL INSTRUMENT FAIR VALUE (CONTINUED)

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values.

<u>Type</u>	<u>Fair Value as at 31 December 2025</u>	<u>Valuation Technique</u>	<u>Significant unobservable inputs</u>	<u>Sensitivity to changes in significant unobservable input</u>
Yaqeen Arar Hills Fund	1,757	Market approach	Market value per sq. meter on plot area: - Residential Area: 385 - 484/sq. meter - Mixed Use Area: 652 - 670/sq. meter - Commercial Area: 815 - 1,620/sq. meter	The estimated fair value would increase/(decrease) by approx. SAR 0.201 million if the market value sq. meter on plot area are higher/(lower) by 10%.
Yaqeen Income Generating Fund	22,655	Income Approach	- Expected Cashflows - 31 December 2025: SR 10.85 million - SR 11. 66 million - Discount rate - 31 December 2025: 9.42%	The estimated fair value would increase/(decrease) by approx. SAR 2.3 million if the expected cashflows are higher (lower) by 10% The estimated fair value would increase/(decrease) by approx. SAR 1 million if the discount rates are lower/(higher) by 1%
Yaqeen Murabaha financing funds	11,375	Discounted cashflows	- Discount rate at market terms - 31 December 2025: 7.1% - 15%	The estimated fair value would increase/(decrease) by approx. SAR 40 K if the discount rates are lower/(higher) by 1%.
Yaqeen Gold fund	2,576	NAV Published on Tadawul.	-	-
Yaqeen SAR Murabaha Fund	32,901	NAV Published on Tadawul.	-	-
Yaqeen opportunistic Fund	596	NAV Published on Tadawul.	-	-

* These include the investment of the Company in Yaqeen Arar Hills Fund and Yaqeen Income Generating Fund. The fair value of these investments is underpinned by valuation of real estate properties which make up the majority of the fund's assets.

20.1 There have been no transfers between Level 1, Level 2 and Level 3 during the reporting years.

20.2 The following table shows the reconciliation from opening balance to closing balance for the fair value for level 3 fair value.

	<u>31 December 2025</u>	31 December <u>2024</u>
Balance at the beginning of the year	35,255	29,901
Purchases during the year	-	11,500
Sold during the year	-	(10,000)
Net Changes in investment at FVPTL		
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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21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Effective risk management is of primary importance to the Company. Risks include market risk (primarily foreign exchange risk, price risk and commission rate risk), credit risk, liquidity risk, and operational risk. The Company ensures that it is conservatively capitalized relative to its risk levels, as well as external requirements and benchmarks.

Financial instruments carried on the balance sheet include cash and bank balances, margin lending and Murabaha financing, other assets, investments at FVTPL – current, investments at FVTPL non-current, accounts payable and accruals, due to a related party (Short-term Murabaha financing) and short-term financing. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial assets and financial liabilities are offset, and net amounts are reported in the financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

21.1 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

a) Commission rate risk

Commission rate risk is the impact on future earnings of the Company resulting from increase in the market interest/ commission rates. The risk arises when there is a mismatch in the assets and liabilities which are subject to interest rate adjustment within a specified period. The Company short term deposits, margin lending and Murabaha financing, margin deposits with Muqassa and other financial liabilities are at fixed rates and are carried in the financial statements at amortized cost, hence there is no commission rate risk as at reporting date: -

Commission rate risk	Within 3 Months	3-12 Months	Over 1 year	Non- commission bearing	Total
31 December 2025					
Cash and bank balances	-	-	-	24,404	24,404
Margin lending and murabaha financing	-	61,815	-	66,159	127,974
Margin deposits with Muqassa	25,548	-	-	-	25,548
Accounts receivables	-	-	-	33,751	33,751
Other assets	-	-	-	1,697	1,697
Investments at FVTPL – current	-	-	-	54,664	54,664
Investments at FVTPL – non-current	-	-	-	52,079	52,079
Total financial assets	25,548	61,815	-	232,754	320,117
Accounts payable and accruals	-	-	-	12,927	12,927
Total financial liabilities	-	-	-	12,927	12,927

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21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.1 Market risk (continued)

a) Commission rate risk (continued)

Commission rate risk	Within 3 Months	3-12 Months	Over 1 Year	Non- commission bearing	Total
31 December 2024					
Cash and bank balances	-	-	-	14,209	14,209
Short term deposits	37,396	-	-	-	37,396
Margin lending and murabaha financing	40,937	-	-	59,288	100,225
Margin deposits with Muqassa	25,054	-	-	-	25,054
Accounts receivables	-	-	-	30,258	30,258
Other assets	-	-	-	2,227	2,227
Investments at FVTPL – current	-	-	-	68,911	68,911
Investments at FVTPL – non-current	-	-	-	40,585	40,585
Total financial assets	103,387	-	-	215,478	318,865
Accounts payable and accruals	-	-	-	18,029	18,029
Total financial liabilities	-	-	-	18,029	18,029

b) Currency risk

Currency 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 principally in Saudi Riyals and US Dollars. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not material. Since the SAR is pegged to US Dollar, therefore, there is no foreign exchange risk.

21.2 Credit risk

The Company is exposed to credit risk as a result of the counterparty's failure to meet its contractual obligations when due, in respect of:

- Margin lending and Murabaha financing
- Accounts receivables
- Due from related parties
- Cash at bank
- Other assets (Loans to employees)
- Margin deposit with Muqassa

Credit risk is the risk that the Company will incur a financial loss as a result of the failure of the customer or counterparty to a financial instrument to fulfil its contractual obligations. Credit risk arises from cash and cash equivalents as well as credit exposures to Other assets, Account receivables, Margin lending and murabaha financing and Margin deposit with Muqassa.

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21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.2 Credit risk (continued)

The Company's maximum exposure to credit risk without taking the effect of collateral amounts as follows:

	31 December	31 December
	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	24,404	51,605
Margin deposit with Muqassa	25,548	25,054
Margin lending and Murabaha financing	127,974	100,225
Account receivables	33,751	30,258
Other assets (Loan to employees)	52	107
	<u>211,729</u>	<u>207,249</u>

Exposure

Cash and cash equivalents are deposited with the commercial bank, which has sound credit ratings. Margin deposit with Muqassa is deposited with Muqassa which is a regulatory related entity. The receivables relate to Margin lending and Murabaha financing portfolios and have adequate coverage ratios. The portfolios are closely monitored, and any margin calls or liquidations are performed at predefined thresholds as and when needed to ensure that the Company's exposure is sufficiently collateralized. Other assets mainly comprise of fees receivables and receivables relate to investment banking group of the Company. The fees receivable mainly relate to amounts due from the counterparties on quarterly basis and are settled within a short period of time. The receivables related to the investment banking group are closely monitored by the Company and specific controls are being applied in accordance with the Company policies and procedures. Allowance for expected credit losses on financial assets recognized in the statement of financial position for 31 December 2025 amounted to SAR 0.7 million.

Revenues are settled mainly in cash for commission income therefore the related credit risk is minimal. For other receivables, the Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are then assigned.

For banks and financial institutions, only independently rated parties with a minimum rating of A2 are accepted. Therefore, the ECL on cash and cash equivalents is immaterial.

The Company has kept cash and cash equivalents in reputable commercial banks, so the expected credit losses of cash and cash equivalents as at 31 December 2025 amounted to nil (31 December 2024: nil). The cash at banks as at 31 December 2025 is SAR 24.4 million (31 December 2024: SAR 51.6 million).

The credit ratings of banks in which the Company holds cash as at 31 December are as follows:

	31 December	31 December
	<u>2025</u>	<u>2024</u>
Moody's Credit rating		
A2	<u>24,361</u>	<u>51,562</u>

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21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.2 Credit risk (continued)

Accounts receivables are shown net of allowance for expected credit losses. The Company applies the IFRS 9 simplified approach for measuring expected credit losses on accounts receivables. To measure the expected credit losses, accounts receivables are segmented based on shared credit risk characteristics and the days past due. The ECL on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, days past due, expected recovery, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

ECL for receivables against margin lending and Murabaha financing is SAR 0.7 million (2024: SAR 0.7 million), the Company holds equity instruments of customers as collateral against margin lending and Murabaha receivables which are carried at amortized cost. The Company uses those collaterals as part of the loss given default "LGD" calculation. The value of collateral is regularly monitored by the Company to ensure that it is sufficient to cover the exposure of margin lending and Murabaha financing receivables. As part of the ongoing monitoring of margin lending and Murabaha financing receivables, the Company has stop loss measure in case if its value falls by 25% of the original value of the receivable, then the Company liquidate the investment up to the amount lent. Even though there might be a small probability of default, the ECL results in zero impairment provision as the pledged collateral (in the form of cash or liquid securities) adequately covers the exposure. The over-collateralized nature of the exposure, coupled with the Company's monitoring process, results in a loss given default (LGD) of zero. The collateral includes the cash and listed equity securities in Saudi stock exchange. The fair value of collateral held by the Company as at 31 December 2025 is amounted is SAR 220 million (31 December 2024: SAR 126 million).

There are no significant concentrations of credit risk, whether through exposure to individual customers and specific industry sectors. The nature of businesses of the Company does not expose it to credit concentration risk. Management analyses credit risk in the following categories:

Credit quality analysis

The following table sets out the credit analysis for financial assets:

31 December 2025	Investment grade	Non- investment grade	Unrated	Total
Financial assets				
Cash and bank balances	24,404	-	-	24,404
Margin deposits with Muqassa	25,548	-	-	25,548
Margin lending and murabaha financing	-	-	127,974	127,974
Other assets (loans to employees)	-	-	52	52
Accounts receivables	-	5,813	27,938	33,751
Total	49,952	5,813	155,964	211,729

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21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.2 Credit risk (continued)

Credit quality analysis (continued)

31 December 2024	Investment grade	Non- investment grade	Unrated	Total
Financial assets				
Cash and bank balances	51,605	-	-	51,605
Margin deposits with Muqassa	25,054	-	-	25,054
Margin lending and murabaha financing	-	-	100,225	100,225
Other assets (loans to employees)	-	-	107	107
Accounts receivables	-	10,372	19,886	30,258
Total	76,659	10,372	120,218	207,249

The credit quality of the above financial assets is based on external credit rating agencies. For unrated financial assets the credit quality of financial assets is determined by the customers' history of meeting commitments, market intelligence-related information and management's trade experience.

The credit risk exposure for receivable against margin lending and Murabaha financing by geographic region is as follows:

	31 December 2025	31 December 2024
Saudi Arabia	128,679	100,930

The credit risk exposure for receivables against margin lending and Murabaha financing by type of customer representing only retail clients as at 31 December 2025 and 2024.

The ageing of financial assets are as follows:-

31 December 2025	Neither Past					
	Carrying Value	Due 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 receivables	33,751	8,446	2,271	4,541	230	18,263
Total	162,430	136,420	2,271	4,541	230	18,968
	Neither Past					
31 December 2024	Carrying Value	Due 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 receivables	30,258	20,426	3,220	1,093	375	5,144
Total	131,188	120,651	3,220	1,093	375	5,849

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21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial obligation. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value.

The following table set out the remaining contractual maturities of financial assets and liabilities:-

31 December 2025	Carrying Amount	Gross Nominal Inflow / (outflow)	Less than one month	1 to 3 months	3 months to 1 year	More than 1 year
ASSETS						
Cash and bank balances	24,404	24,404	24,404	-	-	-
Margin deposit with Muqassa	25,548	25,548	-	25,548	-	-
Margin lending and Murabaha financing	127,974	130,554	-	66,936	63,618	-
Investments at fair value through profit or loss (FVTPL)	106,743	106,743	-	-	54,664	52,079
Accounts receivables	33,751	33,751	33,751	-	-	-
Due from related parties	-	-	-	-	-	-
Other assets	1,697	1,697	-	-	1,697	-
	320,117	322,697	58,155	92,484	119,979	52,079
LIABILITIES						
Accounts payable and accruals	12,927	12,927	-	-	12,927	-
Current portion of lease liability	2,776	2,938	-	-	2,938	-
Zakat and income tax payable	7,074	7,074	-	-	7,074	-
Non-current portion of Lease liability	2,573	2,938	-	-	-	2,938
	25,350	25,877	-	-	22,939	2,938
31 December 2024						
	Carrying Amount	Gross Nominal Inflow / (outflow)	Less than one month	1 to 3 months	3 months to 1 year	More than 1 year
ASSETS						
Cash and bank balances	51,605	51,842	14,166	37,676	-	-
Margin deposit with Muqassa	25,054	25,054	-	25,054	-	-
Margin lending and murabaha financing	100,225	101,739	-	59,993	41,746	-
Investments at fair value through profit or loss (FVTPL)	109,496	109,496	-	-	68,911	40,585
Investments at fair value through other comprehensive income (FVTOCI)	-	-	-	-	-	-
Accounts receivables	30,258	33,248	-	3,429	29,819	-
Due from related parties	-	-	-	-	-	-
Other assets	2,227	2,227	-	-	2,227	-
	318,865	323,606	14,166	126,152	142,703	40,585

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21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.3 Liquidity risk (continued)

	Carrying Amount	Gross Nominal Inflow / (outflow)	Less than one month	1 to 3 months	3 months to 1 year	More than 1 year
LIABILITIES						
Accounts payable and accruals	18,029	18,029	-	-	18,029	-
Current portion of lease liability	1,758	2,938	1,469	-	1,469	-
Zakat and income tax payable	7,404	7,404	-	-	7,404	-
Non-current portion of Lease liability	5,977	7,347	-	-	-	7,347
	<u>33,168</u>	<u>35,718</u>	<u>1,469</u>	<u>-</u>	<u>26,902</u>	<u>7,347</u>

Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet the Company's future commitments. The amounts disclosed in the table are the contractual undiscounted cash flows which are equivalent to their respective carrying amount, as the impact of discounting is immaterial. Investments classified at fair value through profit and loss have been categorized into the time period based on expected duration to sale.

21.4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Company's activities either internally or externally at the Company's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

Operational risk is a distinct risk category which the Company manages within acceptable levels through sound operational risk management practices that are part of the day-to-day responsibilities of management at all levels. The objective in managing operational risk is to ensure control of the Company's resources by protecting its assets and minimizing the potential for financial loss.

The Company's risk management approach involves identifying, assessing, managing, mitigating, monitoring, and measuring the risks associated with operations. The management of operational risk has a key objective of minimizing the impact of losses suffered in the normal course of business (expected losses) and to avoid or reduce the likelihood of suffering a large extreme (unexpected) loss.

21.5 Equity share price risk

The Company's listed equity investments are susceptible to price risk, arising from uncertainties about fair values of investments. The Company manages equity price risk through diversification, setting limits on investments and monitoring continuously the developments in the stock and international funds markets. In addition, the key factors that affect the stock and bond market movements are monitored including analysis of the operational and financial performance of investees. The exposure to investment and its impact on equity is detailed in the table below with a % change in equity prices.

Markets	31 December	Sensitivity	
	2025	Profit	Percentage
Investments at FVTPL			
Saudi Arabia	<u>27,404</u>	<u>+/- 548</u>	<u>+/- 2%</u>

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21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

21.5 Equity share price risk (continued)

Markets	31 December	Sensitivity	
	<u>2024</u>	<u>Profit</u>	<u>Percentage</u>
Investments at FVTPL			
Saudi Arabia	4,627	+/-93	+/- 2%

22. COMMITMENT AND CONTINGENCIES

The Company has no commitment and contingencies as at 31 December 2025 (31 December 2024: Nil).

23. CAPITAL RISK MANAGEMENT

The CMA has issued Prudential Rules (the “Rules”) dated 17 Safar 1434H (corresponding to 30 December 2012) amended by resolution of the Board of the Capital Market Authority Number 1-129-2022 Dated 04 Jumada II 1444H (Corresponding to 28 December 2022). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required. Current year figures are presented based on amended regulations issued by CMA effective from April 1, 2023, and applied prospectively. The prior year’s figures are not restated but are presented based on previous Rules and guidance. Capital adequacy ratio are as follows:

	31 December 2025	31 December 2024
Capital base:		
Tier 1 Capital	285,082	278,859
Tier 2 Capital	-	-
Total capital base	285,082	278,859
Risk Weighted Asset:		
Credit risk	442,642	370,063
Operational risk	184,552	285,818
Market risk	105,862	137,837
Total Risk Weighted Asset	733,056	793,718
Total capital ratio	38.89%	35.13%
Surplus in capital	226,437	215,361

Capital Base of the Company comprises of:

- Tier-1 capital consists of paid-up share capital, retained earnings, reserves excluding revaluation reserves as per Article 5 of amended Rules / Article 4 of the Rules.
- Tier-2 capital consists of capital instruments as per Article 6 of amended Rules / Article 4 of the Rules.

The Minimum Capital Requirements for Market, Credit & Operational Risk are calculated as per the requirements specified in Part 3 of the Rules.

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23. CAPITAL RISK MANAGEMENT (CONTINUED)

The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 8% of the minimum capital required in amended Rules and shall not be less than 1 time in previous Rules.

The Company's business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Company's ability to continue as a going concern, and to maintain a strong capital base.

24. SEGMENT INFORMATION

For management purposes, the Company is organized into business units based on their products and services and has four reportable segments, as follows:

- **Brokerage:** Providing services through trading channels and margin trading to customers.
- **Investment Banking Group (IBG):** Providing advisory and IPO services to the customers.
- **Asset management:** Manage and establish mutual funds and portfolios.
- **Investments:** Investing activities of the Company in financial and non-financial assets.

The executive management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial information.

The segment wise breakup is as follows:

	<u>Brokerage</u>	<u>IBG</u>	<u>Asset management</u>	<u>Investments</u>	<u>Total</u>
<u>31 December 2025</u>					
<i><u>Revenues from contracts with customers*</u></i>					
Commission on brokerage services	7,534	-	-	-	7,534
Management and subscription fee from mutual funds	-	-	24,162	-	24,162
Advisory services income	-	31,239	-	-	31,239
<i><u>Other income streams</u></i>					
Gain on investments at fair value through profit or loss, net	-	-	-	(4,526)	(4,526)
Income from Murabaha investment	-	-	-	9,344	9,344
Dividends income	-	-	-	2,036	2,036
Income from Murabaha financing	3,538	-	-	-	3,538
Total revenues	11,072	31,239	24,162	6,854	73,327
Total expenses	(10,238)	(11,564)	(7,741)	(38,776)	(68,319)
Segment net income / (loss) after zakat	834	19,675	16,421	(31,922)	5,008

*In relation to revenue from contract with customers the revenue from Commission on brokerage services is recognized at point in time while the revenue from management and subscription fees and advisory service income are recognized over the period or point in time depending upon contractual arrangement against each customer.

** The primary geographical market for the Company's product and services is Kingdom of Saudi Arabia.

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24. SEGMENT INFORMATION (CONTINUED)

31 December 2025

	Brokerage	IBG	Asset management	Investments	Total
Assets	153,522	4,627	26,367	106,742	291,258
Liabilities	2,909	1,038	650	35,346	39,943

Reconciliation of reportable segment profit & loss and assets and liabilities

	<u>31 December 2025</u>
Profit or loss	
Total profits for reportable segments	5,008
Unallocated amounts	97
Profit after tax	5,105
Assets	
Total assets for reportable segments	291,258
Unallocated amounts	34,496
Total assets	325,754
Liabilities	
Total liabilities for reportable segments	39,943
Unallocated amounts	733
Total liabilities	40,676

	Brokerage	IBG	Asset management	Investments	Total
<u>31 December 2024</u>					
<u>Revenues from contracts with customer*</u>					
Commission on brokerage services	11,557	-	-	-	11,557
Management and subscription fee from mutual funds	-	-	18,384	-	18,384
Advisory services income	-	41,558	-	-	41,558
<u>Other income streams</u>					
Gain on investments at fair value through profit or loss, net	-	-	-	4,119	4,119
Dividend income	-	-	-	1,331	1,331
Income from Murabaha financing	-	-	-	8,578	8,578
Income on Murabaha investment	3,952	-	-	-	3,952
Total Revenues	15,509	41,558	18,384	14,028	89,479
Expenses	(7,977)	(12,582)	(6,873)	(730)	(28,162)
Segment net income after zakat	7,532	28,976	11,511	13,298	61,317

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24. SEGMENT INFORMATION (CONTINUED)

31 December 2024

	<u>Brokerage</u>	<u>IBG</u>	<u>Asset management</u>	<u>Investments</u>	<u>Total</u>
Assets	125,279	7,382	19,471	146,892	299,024
Liabilities	3,281	907	680	35,426	40,294

Reconciliation of reportable segment profit & loss and assets and liabilities

	<u>31 December 2024</u>
Profit and loss	
Total profits for reportable segments	61,317
Unallocated amounts	<u>(40,139)</u>
Profit after tax	<u>21,178</u>
Assets	
Total assets for reportable segments	299,024
Unallocated amounts	<u>27,680</u>
Total assets	<u>326,704</u>
Liabilities	
Total liabilities for reportable segments	40,294
Unallocated amounts	<u>7,992</u>
Total liabilities	<u>48,286</u>

25. EARNING PER SHARE

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.

	31 December <u>2025</u>	31 December <u>2024</u> <i>Restated*</i>
Income for the year	5,088	21,178
Weighted average number of ordinary shares	25,500	25,500*
Basic and diluted – restated*	<u>0.20</u>	<u>0.83</u>

*Re-stated on account of issue of bonus share during the year ended 31 December 2025.

25.1 Assets under management

These represent the public and private funds' assets, discretionary portfolio and non-discretionary portfolios' assets managed by the Company on behalf of its customers amounted to SAR 2.54 billion as at 31 December 2025 (31 December 2024: SAR 2.47 billion).

25.2 Client cash money accounts

The Company manages clients' cash accounts for brokerage activities, which amounted to SAR 136 million as at 31 December 2025 (31 December 2024: SAR 208 million).

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26. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

Unconsolidated structured entities are structured entities that are not controlled by the Company. The Company enters into transactions with unconsolidated structured entities in the normal course of business to facilitate customer transactions and / or for specific investment opportunities. An interest in a structured entity is contractual or non-contractual involvement which creates variability of the returns of the Company arising from the performance of the structured entity.

The table below describes the types of structured entities and the carrying amounts of interest held by the Company in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held. These interests are reported as investments at fair value through statement of income in these financial statements

Type of structured entity	Nature and purpose	Interest held by the Company	31 December 2025	31 December 2024
Public funds	To generate: <ul style="list-style-type: none"> • returns from trading in the units and / or capital appreciation. • fee from managing assets on behalf of third-party investors. 	<ul style="list-style-type: none"> • Investments in units issued by the funds. 	7,478	15,239
		<ul style="list-style-type: none"> • Management fee, subscription fee and performance fee. 	5,331	5,411
	These funds are financed through the issue of units to investors.			
Private funds	To generate: <ul style="list-style-type: none"> • returns from capital appreciation and / or periodic distributions from the funds. • fee from managing assets on behalf of third-party investors. 	<ul style="list-style-type: none"> • Investments in units issued by the funds. 	71,860	43,671
		<ul style="list-style-type: none"> • Management and subscription fee. 	2,585	1,911
	These funds are financed through the issue of units to investors.			

The Company considers itself a sponsor of a structured entity when it facilitates the establishment of the structured entity. The Company earned a fee amounting to SAR 12.2 million (2024: SAR 5 million) from the structured entities it has sponsored, but in which the Company does not have investment.

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27. SUBSEQUENT EVENTS

The recent regional military escalations have triggered a high-risk conflict environment across the Gulf. The situation is still very fluid, and scenarios can shift very quickly. The escalations have brought about additional uncertainties in the Company's operating environment. With respect to consolidated financial statements for the year ended 31 December 2025, the potential financial reporting effects of the conflict are considered to be non-adjusting in nature.

The Management has been closely monitoring the impact of the developments on the Company's investments. As the situation is fast evolving and fluid, the effect of the escalations is subject to significant levels of uncertainty, with the full range of possible effects unknown.

28. RECLASSIFICATIONS

During the financial year ended 31 December 2024, the Company transferred the whole statutory reserve balance to retained earnings based on the resolution passed by the shareholders. The resolution approved the transfer of the statutory reserve balance as at 31 December 2023. However, during the year ended 31 December 2024, the Company did not allocate the 10% of the net income to the statutory reserve, as required by the Company's Bylaws. Accordingly, the company has subsequently reclassified the statutory reserve to include an appropriation of 10% of net income for the year 2024.

The impacts of the above-mentioned reclassification adjustments are stated below:

Financial Statement Caption	As previously stated	Adjustment	Reclassified
Statement of Financial Position			
Statutory reserve	-	2,118	2,118
Retained earnings	135,783	(2,559)	133,224
Statement of Changes in Equity			
Statutory Reserve	-	2,118	2,118
Retained Earnings	135,783	(2,559)	133,224

29. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue by the Board of Directors on 9 March 2026.