



Yaqeen SAR Murabaha Fund

Annual Report 2025

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A. Fund Information:

1. Name of the investment Fund: Yaqeen SAR Murabaha Fund.

2. The Investment objectives, policies, and practices for the fund

The fund aims to achieve current income while providing liquidity and preserving capital by investing in murabaha deals. Yaqeen SAR Murabaha Fund invests in low-risk financial instruments compatible with Islamic Sharia controls, with the aim of achieving competitive profits for traditional money market instruments at low levels of risk and achieving a high degree of capital preservation while providing liquidity and avoiding any potential risks related to the exchange rate. All realized profits are also reinvested in the same fund, which increases the value of its units. The fund invests mainly in murabaha deals that are compliant with Islamic Sharia guidelines. The investment policy and practices can be summarized accordingly, considering the availability of sufficient liquidity to fulfill any expected refund request:

Asset Class	Minimum	Maximum
Money market instruments	50%	100%
Debt instrument and fixed income funds	0%	25%
Investment funds with similar strategy	0%	50%

- The investments are concentrated in money market instruments such as deposits, murabaha contracts, and leasing in the Kingdom of Saudi Arabia at a ratio of 50% to 100% of the fund's net assets and the currency is according to the issuing authority, and the fund manager depends on the internal classification by investing with reputable and well-reputed institutions A sound financial position with low risk in the Kingdom of Saudi Arabia, licensed by the Capital Market Authority and / or the Central Bank, provided that the rate does not exceed 25% with one party.
- The fund manager may invest up to 50% of the fund's net asset value in similar funds with low risks that are publicly offered and licensed by the Capital Market Authority and managed by the fund manager or other fund managers, and the currency of the funds is according to the issuing authority.
- The fund manager has the right to invest up to 25% of the fund's net assets in sukuk in the markets of the Kingdom of Saudi Arabia, according to the available opportunities for the sukuk and the currency according to the issuer of the sukuk. The fund manager will classify all securities and sukuk internally based on financial position and cash flows from operations and management.
- The available investment opportunities are evaluated by selecting the best returns that are commensurate with the fund's objectives and investment strategies. The fund manager employs his specialized research and analytical capabilities to reach promising investment opportunities in sukuk, murabaha contracts, and similar investment funds that have a good reputation in terms of performance.
- The fund manager may invest up to 30% of the fund's net assets value in money market instruments such as deposits, murabaha contracts and leasing in the Gulf countries.
- The fund manager may borrow provided that the size of the borrowing does not exceed 10% of the net asset value of the fund, provided that the loan period does not exceed one year.
- The fund manager invests securities and / or deals with banks and financial institutions operating in the Kingdom of Saudi Arabia and the Gulf states.

- In the case of investing in other similar funds, whether they are managed by the fund manager himself or other fund managers, and the currency is according to the currency of the invested fund, and it will not exceed 20% of the net asset value of the invested fund, and these funds are selected based on performance and size Fund and expenses.
 - Investments will not be made in securities derivatives.
 - The fund may deal with the fund manager or any of its affiliates as principal for its own account in accordance with Article (43) of the investment funds regulations, and the fund manager may use the proceeds of the murabaha operations in various operations, including, but not limited to, financing the margin operations of its clients.
- 3. Distribution of Profits Policy:** All the profits will be reinvested back in the Fund. So, profits will not be distributed for subscribers.
- 4.** We would like to point out that the Fund's reports are available upon request free of charge. It can also be obtained directly by visiting the company's website www.yaqeen.sa.
- 5. The funds benchmark index and its service provider:**
Three months Saudi Arabia interbank offered rate (which is determined as the average offer rate offered for three months by Saudi banks in Saudi riyals)

B. Fund Performance:

1. Comparative table:

As of December 31	Fund's Net Asset Value (in Saudi riyals)	NAV per unit (in Saudi riyals)			Number of units issued at the end of the period	Income distribution per unit		Expense ratio
		End of period	Highest value during the year	Lowest value during the year		Gross	Net	
2015	706,037,765	1.1381	1.1381	1.1241	620,367,827.17	N/A	N/A	0.76%
2016	744,538,871	1.1688	1.1688	1.1383	637,025,874.27	N/A	N/A	0.50%
2017	881,588,252	1.1924	1.1924	1.1688	739,366,441.42	N/A	N/A	0.81%
2018	1,097,141,583	1.2209	1.2209	1.1924	898,604,250	N/A	N/A	0.54%
2019	890,322,315	1.2600	1.2566	1.2210	708,502,018	N/A	N/A	0.69%
2020	1,714,144,334	1.2841	1.2841	1.2567	1,334,946,087	N/A	N/A	0.66%
2021	2,924,458,358	1.3068	1.3068	1.2842	2,237,953,334	N/A	N/A	0.25%
2022	915,992,059	1.3355	1.3355	1.2997	685,866,146	N/A	N/A	0.60%
2023	401,834,213	1.3974	1.3974	1.3357	287,554,299	N/A	N/A	0.89%
2024	609,854,823	1.4753	1.4753	1.3977	413,390,776	N/A	N/A	0.61%
2025	516,733,786	1.5576	1.5576	1.4755	331,742,765	N/A	N/A	0.61%

Comparing the Fund's benchmark performance with the Fund's performance:

Short Term Return (Annualized)	2020	2021	2022	2023	2024	2025
Fund	2.18%	1.77%	2.20%	4.63%	5.57%	5.58%
Index	1.22%	0.82%	3.19%	6.28%	6.31%	5.52%
Accumulated returns	1 Year	2 Years	3 Years	5 Years	10 Years	Since inception
Fund	5.58%	11.46%	16.63%	21.31%	36.87%	55.76%
Index	5.52%	12.19%	19.23%	24.04%	37.52%	54.14%

2. Performance Record:

Accumulated return	
1 year	5.58%
Three Years	16.63%
Five Years	21.31%
Since inception	55.76%
Annual return	
2007	1.47%
2008	2.85%
2009	1.61%
2010	0.72%
2011	0.66%
2012	1.35%
2013	1.60%
2014	1.55%
2015	1.25%
2016	2.70%
2017	2.02%
2018	2.40%
2019	2.92%
2020	2.18%
2021	1.77%
2022	2.20%
2023	4.63%
2024	5.57%
2025	5.58%

Fund fees & expenses incurred by the Fund during the year as a percentage of the average net asset value of the Fund:

Fees and expenses incurred by the fund during the year	Amount (in SAR)
Management Fees	3,271,030.43
External auditor's fees	28,750.00
Disclosure review and follow-up fees	7,500.00
Custodian Fee	141,098.00
Zakat and Tax Advisor Fees	9,200.00
Total Expenses	3,457,578.43
Total Expense Ratio	0.61%

*There were no circumstances during the year in which the fund manager decided to waive or reduce any fees.

The fund manager follows the rules of calculating the performance data of Yaqeen SAR Murabaha Fund in a consistent manner as described in the fund's terms and conditions.

3. Material changes that occurred during the period:

No material changes that occurred during the period and that affected the performance of the fund.

4. Annual voting rights:

Not Applicable.

5. The Fund board annual report:

(A) The Fund had two meetings during the year 2025 AD, and the attendance of the members was as follows:

Member name	Member classification	First meeting 23 June 2025	Second meeting 15 December 2025
Ahmad Alshabanah	Chairman	✓	✓
Muhammad Al-Malki	Independent member	✓	✓
Muadh bin Howaimel*	Independent member	✓	✗
Yazid Abunayyan *	Independent member	✗	✓
Abdulaziz Al-Arfaj*	Independent member	✗	✓

*Mr. Muath bin Howaimel, an Independent Board Member of the Fund, resigned effective 01/10/2025

*Mr. Yazid Abunayan was appointed as an Independent Board Member of the Fund effective 30/11/2025

*Mr. Abdulaziz Al-Arfaj was appointed as an Independent Board Member of the Fund effective 30/11/2025.

(B) Qualifications of the Fund Board Members:

1. Mr. Ahmad Ibrahim Alshabanah (Chairman of the Board of Directors of the Fund - Non-Independent)

CEO of Yaqeen Capital, holds a master's degree in business administration from the Swiss Business School and a bachelor's degree in business administration from King Faisal University. More than twenty-two years of experience in the banking and investments, experience in treasury, Money Market and foreign exchange trading, his most prominent previous experiences: He worked at Alawal Bank (SABB) and Gulf International Bank. He also held the position of Treasury Manager at Yaqeen Capital, then he joined the Asset Management from 2017 until November 2022.

2. Mr. Muhammad Bin Misfer Al-Maliki (Independent Member)

Holds a Master's degree in Business Administration from Al-Faisal University in 2013. He has more than 30 years of experience in the financial sector in financial markets, banks, business supervision, and regulatory oversight. A prominent leader in semi-governmental entities and the private sector, where he previously worked; The position of Acting Chief Executive Officer at the Small and Medium Enterprises Bank (Bank SME) of the National Development Fund; In addition to holding the position of CEO-designate of the Saudi Venture Investment Company, he is also the founder and CEO of Nataj Financial Consulting Company, and he held the position of CEO of Kasab Financial Company, in addition to having previously held the position of Deputy Governor of the General Authority for Small and Medium Enterprises (Monshaat) for financing, , He is also currently the CEO of Qadr Investment Company and a member of the Board of Directors of Thakher Makkah. And a member of the Board of Directors and

a member of the Management, Nominations and Remunerations Committee in Kowar Finance, and a member of the Audit Committee in the "The Riq" project of the Public Investment Fund, and a member of the Board of Directors and a member of the Nominations and Remunerations Committee in the Saudi Real Estate Company, and a member of the Board of Directors and a member of the Audit Committee and the Committee Executive Director of the Saudi-Bangladeshi Industrial and Agricultural Investment Company (SABINCO). And a member of the Board of Directors and a member of the Executive Committee in a statement of credit information. He is a member of the Audit and Risk Committee of the First Riyadh Health Assembly affiliated to the Ministry of Health, a board member of the Saudi FinTech, a board member of the Saudi Venture Investment Company, and a board member of Al Anson Trading Company.

3. Mr. Yazid bin Abdulaziz Abunayyan (Independent member)

Mr. Abunayyan holds an MBA from the University of Manchester (UK) and a bachelor's degree in industrial engineering from King Saud University. He also holds several professional certifications, including the Alternative Investments Certificate from Harvard Business School and the Board Readiness Program from the Governance Center. He has over 20 years of experience in the financial sector. His previous roles include serving as CEO of the Iraqi National Bank – Saudi Branch, General Manager of Greenstone Saudi Arabia, and leadership positions at Credit Suisse Saudi Arabia, Albilad Capital, and Banque Saudi Fransi. He is currently the Co-Founder of a digital investment platform and participates in several investment and advisory initiatives within and outside the Kingdom.

4. Mr. Abdulaziz bin Abdulrahman Al-Arfaj (Independent member)

Mr. Al-Arfaj holds a bachelor's degree in accounting with a minor in Economics from the University of Oregon (USA). He has completed several executive leadership programs, including programs at INSEAD Abu Dhabi, the Fahad Sultan Academy for Consulting and Training, and the Strategic Leadership and Change Program at PricewaterhouseCoopers. He has more than 10 years of experience in auditing, treasury, accounting, budgeting, and risk management. He has held several financial roles at MISK Foundation, where he currently serves as Head of Treasury. He previously worked as Director of Finance at Misk Art Institute and contributed to developing treasury policies, cash management frameworks, and financial governance at the institutional level. Mr. Al-Arfaj began his career at Ernst & Young as a Senior Auditor, where he led comprehensive financial audits for regulated sectors and enhanced compliance with applicable accounting standards. He has also served as a Member of the Finance Committee of the Al-Arfaj Non-Profit Fund.

(C) Roles and Responsibilities of the Board of Directors of the Fund:

1. Approve all contracts, resolutions and material reports to which the Fund is a party.
2. Adopt a written policy regarding voting rights relating to the Fund's assets.
3. Supervise and, if appropriate, approve any conflict of interest disclosed by the Fund Manager in accordance with the Investment Funds Regulations.
4. Meeting at least twice a year with the compliance and conformance (Compliance and Conformance Committee) officer with the Fund Manager, the money laundering and terrorist financing reporting officer to ensure that the Fund Manager complies with all applicable laws and regulations.

5. Approval of all changes stipulated in Articles (64) and (65) of these Regulations, prior to the Fund Manager obtaining the approval of, or notifying, the unitholders and the Authority.
6. Ensure that the Terms and Conditions of the Fund, the Memorandum of Information and any other document of the Investment Funds Regulations are complied with.
7. Ensure that the Fund Manager carries out its responsibilities to the benefit of the unit holders in accordance with the Terms and Conditions of the Fund and the provisions of the Investment Funds Regulations.
8. Review the report evaluating the performance and quality of services provided by the parties concerned with providing essential services to the Fund in order to ensure that the Fund Manager carries out its responsibilities in the interest of the unit holders in accordance with the Terms and Conditions of the Fund.
9. Evaluate the Fund Manager's mechanism of dealing with risks related to the fund's assets in accordance with the Fund Manager's policies and procedures regarding monitoring risks related to the Fund and how to deal with them.
10. Act in honesty and in the interest of the Investment Fund and its unit holders.
11. Record the minutes of the meetings that show all the minutes of the meetings and the decisions taken by the Board.
12. Review the report that includes all complaints and the measures taken in respect of them, in order to ensure that the Fund Manager is carrying out his responsibilities in a manner that serves the interests of Unit Holders in accordance with the Terms and Conditions of the Fund and what is stated in the Investment Funds Regulations.

(D) Details of the remuneration policy of the members of the fund's Board of Directors:

The Board of Directors' remuneration is paid to the independent directors at the rate of 3,000 Saudi riyals for each meeting, with a maximum of 5,000 Saudi riyals per month in the event that more than one meeting is held per month, and it is borne by the fund manager.

(E) There is no actual or potential conflict between the interests of a member of the fund's board of directors and the interests of the fund.

(F) The members of the fund's Board of Directors are members of the boards of directors of other funds managed by the Fund Manager as described below:

Fund name	Ahmad Ibrahim Alshabanah	Yazid bin Abdulaziz Abunayyan	Muhammad Bin Misfer Al-Maliki	Abdulaziz bin Abdulrahman Al-Arfaj
Yaqeen Petrochemical ETF	✓	✓	✓	✓
Yaqeen IPO Fund	✓	✓	✓	✓
Yaqeen Opportunistic Fund	✓	✓	✓	✓
Yaqeen Saudi Equity Fund	✓	✓	✓	✓
Yaqeen SAR Murabaha Fund	✓	✓	✓	✓
Yaqeen Gold Fund	✓	✓	✓	✓
Yaqeen Murabaha Fund	✓	✓	✓	✓
Yaqeen Arar Hills Fund	✓	✓	✓	✓
Yaqeen Income Generating I Fund	✓	✓	✓	✓
Yaqeen Income Generating II Fund	✓	✓	✓	✓

Yaqeen Yaqeen Residential Compound Fund	✓	✓	✓	✓
Yaqeen S&P ESG MENA ETF	✓	✓	✓	✓
Yaqeen Saudi Equity ETF	✓	✓	✓	✓

During the meetings, the following points related to the fund were discussed and reviewed:

The Fund's Board of Directors held two meetings during 2025 The following is a summary of the key decisions and the matters discussed:

- The board reviewed the development of the investment funds 'performance activities for the period.
- The board reviewed funds' cash inflows and outflows during the period.
- The Fund adhering to the regulations and procedures followed by the company and ensuring compliance with the Investment Funds Regulations and the rest of the Capital Market Authority regulations, the terms and conditions of investment funds, the requirements of the FATCA, and the Common Reporting Standards (CRS) with the Compliance and Anti-Money Laundering Officer.
- The fund board agreed to amend the minimum subscription from (5,000 Saudi riyals) to (no limit), in addition to amending the time for announcing the unit price from (11 am) to (during the day)..

Discussing the Circulars and updates related to investment funds issued by the Capital Market Authority during the period.

C. Fund Manager

1. Fund Manager name:

Yaqeen Capital Company, Saudi Arabia

P.O. Box. 884, Riyadh 11421

Tel: 8004298888

Fax: +966 (11) 2032546

www.yaqeen.sa

2. Sub-Manager/investment adviser:

Not applicable.

3. A review of investment activities during the period:

The following table shows the distribution of the Fund's investments as at the end of 2024 as a percentage of the total assets.

Fund's Investments Distribution	As of 31-Dec-2025
Murabaha Deals	72.27%
Other Similar Funds	27.4%
Cash	0.33%
Total	100.00%

4. Performance report of the investment fund during the period:

- In 2025, the Yaqeen SAR Murabaha Fund achieved an annual return of 5.58%, aligning closely with its benchmark index, which recorded 5.52% over the same period. Over the past three years, the Fund's cumulative returns reached 12.89% compared to 16.59% for the benchmark, while the annualized returns for the same period stood at 4.13% for the Fund versus 5.25% for the index.
- Despite the slight variance in performance relative to the benchmark, the Fund maintains a high level of stability and low risk. This is consistent with its objective as a short-term investment vehicle focused on capital preservation and providing steady returns for investors

5. Details of any material changes to the Fund's Terms and Conditions made during the period.

The fund manager made the following non-Fundamental Changeschanges to the fund during 2025

- Changes in the Fund's Board of Directors
 - Resignation of a member of the Fund's Board of Directors, Mr. Muath bin Mohammed bin Huwaymel (Independent Member), effective from 01/10/2025.
 - Appointment of a member of the Fund's Board of Directors, Mr. Yazeed bin Abdulaziz Abunayyan (Independent Member), effective from 30/11/2025.
 - Appointment of a member of the Fund's Board of Directors, Mr. Abdulaziz bin Abdulrahman Alarfaj (Independent Member), effective from 30/11/2025.
- Rephrase information related to Zakat and/or tax.
- Reformulation of subscription procedures.
- Reformulate the submission of financial reports to unitholders.
- Update the fund manager's voting rights policy.
- Update the financial information summary of the fund manager.
- Updating the roles and responsibilities of the Fund's Board of Directors
- Updating complaints processing

6. Other Information:

For more information, please refer to terms and conditions of the fund.

7. The investment of the fund in other funds:

The fund's investment in other investment funds as at the end of 2025

Investment Fund	Investment weight as a % of the Fund	Management Fees
Alpha Murabaha Fund	7.90%	0.50%
Al Rajhi Awaheed Fund	19.50%	0.75%

8. Special Commission During the year:

The fund manager did not receive any special commissions during the period.

9. Any other data and other information required by these Regulations to be included in this report:

a- Conflict of Interest:

Yaqeen Capital has invested an amount representing 6.37% of the Fund's NAV in the Yaqeen SAR Murabaha Fund.

b- Fund Distribution during the Year:

N/A

c- Incorrect Valuation or Pricing:

N/A

d- Investment Limitation Breaches

N/A

10. Period for the management of the person registered as fund manager.

Since 2007.

11. The expense ratio of each underlying fund at end of 2025:

Investment Fund	Investment weight as a % of the Fund	Expense Ratio	Weighted Expense Ratio
Alpha Murabaha Fund	7.90%	0.28%	0.15%
Al Rajhi Awaheed Fund	19.50%	0.65%	

D. Custodian

AlBilad Capital

King Fahad Road, P.O. Box 140, Riyadh 11411, Saudi Arabia

Tel: +966 92000 3636

Website: www.albilad-capital.com

Custodian duties and responsibilities: The custodian (Al Bilad Capital) is the body responsible for preserving the fund's assets and carrying out administrative services.

E. Fund Operator:

1. Name and address of fund operator: Yaqeen Capital Company

P.O Box 884 Riyadh 11421

Phone: 8004298888

Fax: + 966 (11) 4617268

2. Duties and responsibilities:

- Operating the fund.
- Maintaining books and records related to the operation of the fund.
- Preparing and updating the subscribers' units record and keeps it in the Kingdom in accordance with the requirements of the Investment Funds Regulation.
- Evaluating the fund's assets completely and fairly and calculating the price of the fund's units.

F. Auditor:

KPMG

Kingdom of Saudi Arabia

KPMG Tower

Riyadh Front – Airport Road, P.O.Box 92876,

Tel: +966 11 874 8500

Fax: +966 11 874 8600

G. Financial Statements:

The financial statements are prepared and audited according to accounting standards issued by Saudi Organization for Certified Public Accountants ("SOCPA").

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)

FINANCIAL STATEMENTS
For the year ended 31 December 2025
together with
INDEPENDENT AUDITOR'S REPORT

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
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 إي 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 Unitholders of Yaqeen SAR Murabaha Fund

Opinion

We have audited the financial statements of **Yaqeen SAR Murabaha Fund** (the "Fund") managed by Yaqeen Capital (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in net assets (equity) attributable to unitholders and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2025, and its financial performance and its 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 International Standards on Auditing 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 Financial Statements section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements, and we have 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.

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the 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 provisions of the Investment Funds Regulations issued by the Capital Market Authority, the Fund's Terms and Conditions and for such internal control as Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund'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 the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Fund's Board, is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

To the Unitholders of Yaqeen SAR Murabaha Fund (continued)

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

As part of an audit in accordance with International Standards on Auditing 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 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager'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 Fund'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 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 SAR Murabaha Fund (the "Fund").

KPMG Professional Services Company

Saleh Mohammed S. Mostafa
License No: 524



Al Riyadh on: 30 March 2026
Corresponding to: 11 Shawwal 1447H

YAQEEEN SAR MURABAHA FUND
 (Managed by Yaqeen Capital)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
 (All amounts are in Saudi Riyals unless stated otherwise)

	Notes	31 December 2025	31 December 2024
Assets			
Cash and cash equivalent	5	1,942,856	6,649,649
Financial assets at amortised cost	6	287,784,125	341,214,125
Financial assets at fair value through profit or loss ("FVTPL")	7	<u>227,823,745</u>	<u>263,051,569</u>
Total assets		<u>517,550,726</u>	<u>610,915,343</u>
Liabilities			
Management fee payable	8	793,497	862,209
Other liabilities	9	<u>23,443</u>	<u>198,308</u>
Total liabilities		<u>816,940</u>	<u>1,060,517</u>
Net assets (equity) attributable to the Unitholders		<u>516,733,786</u>	<u>609,854,826</u>
Units in issue (numbers)		331,742,765	413,390,776
Net assets value per unit		1.56	1.48
Contingencies and commitments	10	-	-

The accompanying notes from 1 to 18 form an integral part of these financial statements.

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2025
(All amounts are in Saudi Riyals * unless stated otherwise)

	<u>Notes</u>	<u>31 December</u> <u>2025</u>	<u>31 December</u> <u>2024</u>
Income			
Murabaha contracts commission income	6	21,255,273	21,873,216
Fair value gain on financial assets at FVTPL, net	7.1	8,080,083	5,600,262
Special commission income on Sukuk	7.2	4,724,898	948,542
Other income		178,835	-
Total operating income		<u>34,239,089</u>	<u>28,422,020</u>
Expenses			
Management fee	8	(3,271,030)	(2,713,630)
Other expenses	9	(186,548)	(156,283)
Total operating expenses		<u>(3,457,578)</u>	<u>(2,869,913)</u>
Profit for the year		30,781,511	25,552,107
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>30,781,511</u>	<u>25,552,107</u>

The accompanying notes from 1 to 18 form an integral part of these financial statements.

YAQEEEN SAR MURABAHA FUND
 (Managed by Yaqeen Capital)
STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS
For the year ended 31 December 2025
 (All amounts are in Saudi Riyals * unless stated otherwise)

	<u>31 December 2025</u>	<u>31 December 2024</u>
Net assets (equity) attributable to the Unitholders as at the beginning of the year	609,854,826	401,834,214
Total comprehensive income for the year	30,781,511	25,552,107
Unitholders' subscriptions and redemptions:		
Issuance of units during the year	977,238,026	710,189,417
Redemption of units during the year	<u>(1,101,140,573)</u>	<u>(527,720,912)</u>
Net assets (equity) attributable to the Unitholders as at end of the year	<u>516,733,786</u>	<u>609,854,826</u>

Movement in number of units

The movement in number of units are as follows:

	<u>31 December 2025 Units</u>	<u>31 December 2024 Units</u>
Number of units as at 1 January	413,390,776	287,554,299
Issuance of units during the year	644,087,814	492,592,661
Redemption of units during the year	<u>(725,735,825)</u>	<u>(366,756,184)</u>
Number of units as at 31 December	<u>331,742,765</u>	<u>413,390,776</u>

The accompanying notes from 1 to 18 form an integral part of these financial statements.

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2025
(All amounts are in Saudi Riyals * unless stated otherwise)

	<u>Notes</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		30,781,511	25,552,107
Adjustments for non-cash items:			
Murabaha contracts commission income	6	(21,255,273)	(21,873,216)
Net fair value gain on investments at FVTPL	7.1	(8,080,083)	(5,600,262)
Special Commission income on Sukuk	7.2	(4,724,898)	(948,542)
Changes in operating assets and liabilities:			
Purchase of financial assets at amortised cost	6	(891,860,001)	(867,832,998)
Proceeds from sale of financial assets at amortised cost	6	966,545,274	897,894,057
Purchase of financial assets at FVTPL	7.1 & 7.2	(557,151,268)	(459,000,000)
Proceeds from sale of financial assets at FVTPL	7.1 & 7.2	600,697,882	243,885,869
Special commission income received on Sukuk	7.2	4,486,187	543,750
Management fee payable		(68,712)	270,198
Other liabilities		(174,865)	37,045
Net cash generated from / (used in) operating activities		<u>122,474,497</u>	<u>(187,071,992)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of units during the year		977,238,026	710,189,417
Redemption of units during the year		(1,101,140,573)	(527,720,912)
Net cash (used) in / generated from financing activities		<u>(123,902,547)</u>	<u>182,468,505</u>
Net decrease in cash and cash equivalents		(4,706,793)	(4,603,487)
Cash and cash equivalents at the beginning of the year		6,649,649	11,253,136
Cash and cash equivalents at the end of the year	5	<u>1,942,856</u>	<u>6,649,649</u>

The accompanying notes from 1 to 18 form an integral part of these financial statements.

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(All amounts are in Saudi Riyals ﷻ unless stated otherwise)

1. General information

Yaqeen SAR Murabaha Fund (the “Fund”) is a fund established under an agreement between Yaqeen Capital (the “Fund Manager”) and Fund’s Investors (“Unitholders”). The Fund's objective is to achieve return and provide liquidity in accordance with capital market rates in the short term and maintain Unitholders’ investments. The Fund provides investment solutions to investors in accordance with Islamic Shariah to achieve competitive returns from the market from short-term Murabaha investments and Sukuks. The Fund is “open-ended” and does not distribute any dividends to the Unitholders. Instead, all profits earned by the Fund are reinvested and reflected in the price of the Fund’s unit.

The address of the Fund Manager is as follows:

Yaqeen Capital
Olaya Street, P.O. 884
Riyadh 11421
Kingdom of Saudi Arabia

Yaqeen Capital Company is the administrator of the Fund. Further, Al-Bilad Capital Company is the custodian of the Fund as per the Terms and Conditions of the Fund.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund. In addition, the Unitholders are considered as owners benefiting from the Fund's assets.

The Capital Market Authority (CMA) license was granted to the Fund on 12 Jumada Al Akhir 1429 H (corresponding to 16 June 2008). The Fund commenced operations on 9 Rajab 1429 H (corresponding to 12 July 2008).

The Fund is governed by the Investment Funds Regulations (the “Regulations”) published by Capital Market Authority (CMA) on 3 Dhul Hija 1427H (corresponding to 24 December 2006) as amended by the resolution of CMA board on 16 Sha’aban 1437H (corresponding to 23 May 2016). It is further amended by the resolution of CMA board on 23 Dhul Qadah 1446H (corresponding to 21 May 2025).

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared 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”).

The Fund can recover or settle all its assets and liabilities within 12 months from the reporting date.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

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

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(All amounts are in Saudi Riyals ﷻ unless stated otherwise)

2 Basis of preparation (continued)

2.2 Going concern

The Fund Manager has assessed the Fund’s ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Fund Manager is not aware of any material uncertainties that may cast significant doubt upon the Fund’s ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

2.3 Basis of measurement

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

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

2.4 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These financial statements are presented in Saudi Riyals ﷻ which is the Fund’s functional currency.

2.5 Financial Year

The financial year of the Fund commences on 1 January and ends on 31 December of each calendar year.

2.6 Use of estimates and judgments

In the ordinary course of business, the preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. There are no areas of significant judgment or critical assumption used in the preparation of these financial statements.

3. Application of new and revised standards

3.1 New standards, interpretations and amendments adopted from 1 January 2025

The Fund applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standard / interpretation / amendments	Description	Effective from periods beginning on or after
Amendment to IFRS 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. Amendment set 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

This amendments had no impact on the financial statements of the Fund.

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

(All amounts are in Saudi Riyals ﷻ unless stated otherwise)

3 Application of new and revised standards (continued)

3.2 New standards, interpretations and amendments not yet effective (continued)

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods beginning on or after 1 January 2026. The Fund has opted not to early adopt these pronouncements and the Fund is currently evaluating the impact of the adoption of these standards, interpretations or amendments on the financial statements.

Standard / interpretation / amendments	Description	Effective from periods 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
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026
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 19, Subsidiaries without Public Accountability: Disclosures	The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. 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

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

(All amounts are in Saudi Riyals ﷲ unless stated otherwise)

3 Application of new and revised standards (continued)

3.2 New standards, interpretations and amendments not yet effective (continued)

Standard / interpretation / amendments	Description	Effective from periods beginning on or after
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

4. Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024.

4.1 Financial instruments

4.1.1 Initial recognition and measurement

All regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e. the date that the Fund executes purchase or sale of the assets). Regular way purchase or sale of financial assets require settlement of assets within the time frame generally established by regulation or convention in the marketplace.

All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognized on trade date at which the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the profit or loss section of the statement of profit or loss and other comprehensive income. For all other financial assets and financial liabilities transaction costs are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

4.1.2 De-recognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and substantially all the risks and rewards are transferred.

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

(All amounts are in Saudi Riyals ﷻ unless stated otherwise)

4. Material accounting policies (continued)

4.1.3 Classification and subsequent measurement of financial assets

Financial assets are classified into the following specified categories:

- Financial assets at fair value through profit or loss.
- Financial assets at fair value through other comprehensive income; or
- Financial assets at amortised cost.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective.

Classification and subsequent measurement of debt instruments depend on:

- (i) *The Fund's business model for managing the asset; and*
- (ii) *The cash flow characteristics of the asset.*

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized in profit or loss. Profit income from these financial assets is included in 'Murabaha contracts commission income' using the effective interest rate method.
- **Fair value through other comprehensive income:** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at financial assets at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, Murabaha contracts commission income and foreign exchange gains and losses on the instrument's amortised cost are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.
- **Fair value through profit or loss:** Financial assets that do not meet the criteria for amortized cost or FVOCI are classified as financial assets at fair value through profit or loss. A gain or loss on a debt or equity investment that is subsequently measured at fair value is presented in the profit or loss in the year in which it arises.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Fund subsequently measures all equity investments at FVTPL, except where the Fund Manager has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025
(All amounts are in Saudi Riyals ﷻ unless stated otherwise)

4. Material accounting policies (continued)

4.1 Financial instruments (continued)

4.1.3 Classification and subsequent measurement of financial assets (continued)

value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to the profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the profit or loss as 'Dividend income' when the Fund's right to receive payments is established. The Fund has not classified any of its equity investments at fair value through other comprehensive income.

The Fund does not have any financial assets classified at fair value through other comprehensive income as at 31 December 2025 and 2024.

4.1.4 Impairment of financial assets

The Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Fund's financial assets fall into this category.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second and third category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. The value of financial assets held at amortized cost has been taken into account in the calculation of expected credit loss. Financial assets held at amortized cost include bank balances. Bank balances are held at banks with high credit rating.

4.1.5 Classification and measurement of financial liabilities

Liabilities are recognized on an accrual basis for amounts to be paid in the future in return for services received, whether or not billed by the provider.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Fund has designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortized cost using the effective interest rate method.

4.1.6 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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

YAQEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

(All amounts are in Saudi Riyals ﷲ unless stated otherwise)

4. Material accounting policies (continued)

4.1.6 Financial value measurement (continued)

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at the market price because this price provides a reasonable approximation of the exit price.

4.2 Net assets (equity) attributable to Unitholders

The net assets (equity) attributable to the Unitholders comprise redeemable units issued, and accumulated profit generated by the Fund. The redeemable units are classified as equity as explained below.

(i) Units in issue

Units subscribed and redeemed are recorded at the net assets value per unit on the Valuation Day for which the subscription request and redemption applications are received.

The Fund classifies its units as equity as these units have all of the following features:

- It entitles the holder to a pro rata share of the Fund's net assets (equity) in the event of the Fund's liquidation.
- It is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata shares of the Fund's net assets (equity).
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets (equity) of the Fund over the life of the instrument.

In addition, in order to classify these instruments as equity the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognized net assets (equity) or the change in the fair value of the recognized and unrecognized net assets (equity) of the Fund; and
- The effect of substantially restricting or fixing the residual return to the instrument holders.

The Fund continuously assesses the classification of the units. If the redeemable units cease to have any of the features or meet all the conditions set out in paragraphs 16A and 16B of IAS 32, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognized in net assets attributable to Unitholders. The subscription and redemption of units are accounted for as equity transactions as long as units are classified as equity.

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

(All amounts are in Saudi Riyals ﷲ unless stated otherwise)

4. Material accounting policies (continued)

4.3 Net assets (equity) value per unit

(ii) Trading in the units

Units of the Fund are made available for purchase only in the Kingdom of Saudi Arabia at Yaqeen Capital branches by natural and corporate persons. The net asset value of the Fund is determined on the Valuation Day by dividing the net value of assets (fair value of total assets minus liabilities) by the total number of outstanding units on the relevant Valuation Day.

Net assets value per unit disclosed in the statement of financial position is calculated by dividing the net assets of the Funds by the number of units in issue at the reporting date.

4.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the amount can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and taxes.

Unrealized and realized gains and losses on investments at FVTPL sold are determined on a weighted average cost basis.

4.5 Management fee, custody fee and other expenses

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

4.5.1 Management fee

The Fund Manager charges the Fund, on every valuation day, a management fee at an annual rate of 0.5% (31 December 2024: 0.5%) of the Fund's net assets value.

4.5.2 Custody fee

The Fund accrues custody fee at rate of 0.02% annually of the assets under reservation (31 December 2024: 0.02% annually). These charges are accrued on each dealing day.

4.5.3 Regulatory fee

The Fund records regulatory fees to be paid to Capital Market Authority of SR 7,500 annually as specified in the Terms and Conditions.

4.6.4 Other expenses

As specified in the Terms and Conditions, these expenses include fee for audit fee and zakat and tax consultant's fee, that are paid by the Fund Manager on behalf of the Fund.

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

(All amounts are in Saudi Riyals ﷻ unless stated otherwise)

5. Cash and cash equivalent

	31 December 2025	31 December 2024
Cash at bank	1,942,856	6,649,649

Cash and cash equivalent comprise of balance held with Bank Al Bilad which has an A2 long term credit rating as per Moody's.

6. Financial assets at amortised cost

This balance consists of the Fund's investment in Murabaha contracts with low risk fixed-rate commodities held with local banks. These investments are initially measured at cost and are subsequently measured at amortised cost.

Following is the commodities wise breakup of the Murabaha contracts that the Fund holds.

	31 December 2025	31 December 2024
Platinum	171,000,000	232,000,000
Palladium	64,500,000	104,000,000
Nama	39,500,000	-
Palm Oil	10,000,000	-
	285,000,000	336,000,000
Accrued Murabaha commission income	2,784,125	5,214,125
	287,784,125	341,214,125

Movement in financial assets carried at amortised cost is as follows:

	31 December 2025	31 December 2024
Opening balance	341,214,125	349,401,968
Purchases during the year	891,860,001	867,832,998
Matured during the year	(966,545,274)	(897,894,057)
	266,528,852	319,340,909
Murabaha contract commission income	21,255,273	21,873,216
Closing balance	287,784,125	341,214,125

6.1. The remaining maturities for the Murabaha contracts as at 31 December 2025 ranges from 6 to 12 months with an average profit rate of 5.35% (2024: 5.90%).

6.2. As these balances are held with banks having sound credit rating of A- to B as per Moodys and the the impact of expected credit losses (ECL) is immaterial to these financial statements. These balances are neither past due nor credit impaired and are classified as Stage 1.

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

(All amounts are in Saudi Riyals ﷲ unless stated otherwise)

7. Financial assets at fair value through profit or loss (FVTPL)

	Notes	31 December 2025	31 December 2024
Investments in public funds	7.1	141,812,391	237,646,777
Investments sukuk	7.2	86,011,354	25,404,792
		227,823,745	263,051,569

- 7.1.** This balance represents the Fund's investments in units of other local investment funds that invest in Murabaha and other financial securities and are managed by investment companies licensed by the CMA in the Kingdom of Saudi Arabia.

Following is the breakdown of investments held in Fund's units:

	31 December 2025	31 December 2024
Al Rajhi Awaheed Fund	100,906,722	-
Alpha Murabaha Fund	40,905,669	100,703,453
SNB Capital Al Sunbullah SAR	-	83,380,612
Alinma Saudi Riyal Liquidity Fund	-	53,562,712
	141,812,391	237,646,777

Movement in investments in public funds is as follows:

	31 December 2025	31 December 2024
Opening balance	237,646,777	41,932,384
Purchase during the year	491,783,414	434,000,000
Sold during the year	(595,697,882)	(243,885,869)
	133,732,309	232,046,515
Realized fair value gain, net for the year	6,067,864	3,284,150
Unrealized fair value gain, net for the year	2,012,218	2,316,112
Net fair value gain on financial assets at FVTPL	8,080,083	5,600,262
Closing balance	141,812,391	237,646,777

- 7.2.** The Fund holds investments in a corporate unlisted sukuk issued by Rawabi Holding Company and Bank Al Jazira in the Kingdom of Saudi Arabia and the GCC.

Rawabi Holding Company has long-term and short-term national ratings of "ssA" and "ssA1", respectively, with a stable outlook, as assigned by Capital Intelligence Ratings. According to Simah Rating (TASSNIEF), Rawabi Holding Company is classified with long-term and short-term entity ratings of "BBB+" and "T-3", respectively. Bank Al Jazira has long-term and short-term national credit ratings of "A1" and "AA(sau)", respectively, with a stable outlook, as assigned by Fitch. The ratings assigned by Moodys classify the bank's long-term and short-term entity ratings as "A3.sa" and "SA-2". The sukuk yields range between 6.30% and 8.75% per annum.

YAQEEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

(All amounts are in Saudi Riyals ﷻ unless stated otherwise)

7. Financial assets at fair value through profit or loss (FVTPL) (continued)

	31 December 2025	31 December 2024
Opening balance	25,404,792	25,000,000
Purchased during the year	65,367,854	-
Matured during the year	(5,000,000)	-
	85,772,646	-
Commission income earned during the year	4,724,898	948,542
Commission income received during the year	(4,486,187)	(543,750)
Unrealized fair value gain for the year	238,708	404,792
Closing balance	86,011,354	25,404,792

8. Management fee payable

	31 December 2025	31 December 2024
	Note	
Opening balance	862,209	592,011
Expense for the year	8.1 3,271,030	2,713,630
Payment made during the year	(3,339,742)	(2,443,432)
Closing balance	793,497	862,209

8.1 The Fund Manager charges management fee as per the Terms and Conditions of the Fund at the rate of 0.5% per annum (31 December 2024: 0.5%) of the net assets value at each valuation date.

9. Other liabilities

	31 December 2025	31 December 2024
	Note	
Opening balance	198,308	161,263
Expense for the year	9.1 186,548	156,283
Payment made during the year	(182,581)	(119,238)
Reversal of over accrual	(178,835)	-
Closing balance	23,443	198,308

9.1 Other expenses comprise of custody fee and other expenses payable which are based on predetermined rates as specified in the Terms and Conditions of the Fund. These expenses are recognised on accrual basis.

10. Contingencies and commitments

There were no contingencies and commitments as at 31 December 2025 and 31 December 2024.

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11. Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The related parties of the Fund include the Fund Manager, the Fund's Board and other Funds managed by the Fund Manager.

In the ordinary course of business, the Fund transacts with its related parties that are in turn subject to the Fund's Terms and Conditions approved by the CMA. The Fund entered into the following transactions with its related parties during the year and the balances arising from these transactions are also mentioned below.

Related party	Relationship	Nature of transactions	Transactions for the year		Balance as at	
			31 December 2025	31 December 2024	31 December 2025	31 December 2024
Yaqeen Capital	Fund Manager	Management fees (Note 8)	3,271,030	2,713,630	793,497	862,209
		Other expenses (Note 9)	186,548	156,283	23,443	198,308
		Units held by Fund Manager – 21,122,488 units (31 December 2024: 26,183,075 units)	14,208,855	17,975,840	32,901,104	38,626,587
Yaqeen IPO Fund	Fund managed by the Fund Manager	Units held by another fund managed by the Fund Manager- Nil (31 December 2024: 6,787,453 units)	(10,204,995)	(1,509,573)	-	10,011,986
Yaqeen Income Generating Fund 1	Fund managed by the Fund Manager	Units held by another fund managed by the Fund Manager 4,399,456 units (31 December 2024: 7,270,464 units)	(4,235,745)	8,049,467	6,852,741	10,725,754
Yaqeen Arar Hills Fund	Fund managed by the Fund Manager	Units held another fund managed by the Fund Manager – 780,508 units (31 December 2024 : 1,724,028 units)	(1,428,571)	(8,800,000)	1,215,745	2,543,372
Yaqeen Murabaha Financing Fund	Fund managed by the Fund Manager	Units held another fund managed by the Fund Manager – 34,972,065 units (31 December 2024 : 542,346)	52,235,523	425,951	54,473,674	800,096

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12. Fair value of financial instruments

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.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at a market price, because this price is assessed to be a reasonable approximation of the exit price.

The fair value hierarchy consists of the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for assets and liabilities.

Investments based on inputs other than quoted prices included within level 1, that are observable for the asset or liability are categorized as level 2. These investments have been valued using the net asset value of the funds available on Saudi Stock Exchange, Tadawul.

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value due to the short-term nature of these of financial instrument.

The fair value of investments measured at FVTPL are based on inputs other than quoted prices in active markets and are therefore classified within level 2.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

	Level 1	Level 2	Level 3	Total
31 December 2025	-	227,823,745	-	227,823,745
31 December 2024	-	263,051,569	-	263,051,569

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13. Financial instruments – Risk management

The Fund Manager’s objective is to ensure the Fund’s ability to continue as a going concern so that it can continue to provide optimal returns for the Unitholders and ensure reasonable safety of the Unitholders.

The Fund’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk.

The Fund Manager is responsible for identifying and controlling financial risks. The Fund Board supervises the Fund Manager, which is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund’s Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The Fund's policy is to conclude financial instrument contracts with reputable counterparties. The Fund seeks to reduce credit risk by monitoring credit exposures, setting limits for transactions with specific counterparties, and constantly assessing the solvency of such parties.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	31 December 2025	31 December 2024
Financial assets at amortised cost	287,784,125	341,214,125
Cash and cash equivalent (note 5)	1,942,856	6,649,649
	289,726,981	347,863,774

The Fund measures credit risk and expected credit losses (“ECL”) using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL.

The financial assets carried at amortized cost were considered for ECL as at 31 December 2025. However, the impact of ECL on these asset was considered immaterial as the Fund is not exposed to significant credit risk considering that the cash and cash equivalent balance is deposited with Bank Al Bilad, which has an external credit rating of A2 from Moody's and there is no history of default of that bank whereas, the Fund has investments in Murabaha contracts of local banks having credit ratings ranging from A- to B as per Moody’s / Fitch.

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13. Financial instruments – Risk management (continued)

b) Liquidity risk

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

The Fund's Terms and Conditions provide for the subscription and redemptions of units on dealing days during the week and it is, therefore, exposed to the liquidity risk of meeting Unitholders' redemptions. The Fund's investments are readily realizable, and the units can easily be redeemed at any time. The Fund Manager monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio, or obtaining funding from related parties.

31 December 2025	Up to one year	More than one year and up to five years	More than five years	Total
Financial liabilities				
Management fee payable	793,497	-	-	793,497
Other liabilities	23,443	-	-	23,443
	816,940	-	-	816,940
31 December 2024	Up to one year	More than one year and up to five years	More than five years	Total
Financial liabilities				
Management fee payable	862,209	-	-	862,209
Other liabilities	198,308	-	-	198,308
	1,060,517	-	-	1,060,517

Maturity profile

The table below shows an analysis of financial assets and financial liabilities according to when they are expected to be recovered or settled, respectively. The amount disclosed are the contractual undiscounted cash flows which equal their carrying balances as the impact of discounting is not significant.

31 December 2025	Up to one year	More than one year	No fixed maturity	Total
Financial assets				
Cash and cash equivalent	-	-	1,942,856	1,942,856
Financial assets at amortised cost	287,784,125	-	-	287,784,125
Financial assets at fair value through profit or loss (FVTPL)	-	81,011,354	146,812,391	227,823,745
	287,784,125	81,011,354	148,755,247	517,550,726
Financial liabilities				
Management fee payable	793,497	-	-	793,497
Other liabilities	23,443	-	-	23,443
	816,940	-	-	816,940

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13. Financial instruments – Risk management (continued)

b) Liquidity risk (continued)

31 December 2024	Up to one year	More than one year	No fixed maturity	Total
Financial assets				
Cash and cash equivalent	-	-	6,649,649	6,649,649
Financial assets at amortised cost	341,214,125	-	-	341,214,125
Financial assets at fair value through profit or loss (FVTPL)	-	25,404,792	237,646,777	263,051,569
	<u>341,214,125</u>	<u>25,404,792</u>	<u>244,296,426</u>	<u>610,915,343</u>
Financial liabilities				
Management fee payable	862,209	-	-	862,209
Other liabilities	198,308	-	-	198,308
	<u>1,060,517</u>	<u>-</u>	<u>-</u>	<u>1,060,517</u>

c) Market risk

i) Commission rate risk

Commission rate risk arises from the possibility that changes in market special commission rates will affect future profitability or the fair value of the financial instruments.

As of the date of the statement of financial position, the Fund is not exposed to significant commission rate risk as commission rate is fixed Murabaha contracts.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

The functional currency of the Fund is Saudi Riyals ﷻ. As the Fund's financial assets and financial liabilities are denominated in its functional currency, the Fund is not subject to currency risk.

iii) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements. The price risk arises primarily from uncertainty about the future prices of the financial instruments that the Fund holds. The Fund has a diversified portfolio of investments carried at FVTPL comprising of unit of other public funds and sukuk.

A 5% change in the fair value of investments carried at FVTPL, with all other variables held constant, would increase / decrease the profit for the year and net assets by ﷻ11.39 million (31 December 2024: ﷻ13.15 million).

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14. Capital management

The capital of the Fund is represented by net assets (equity) attributable to unitholders. The net assets (equity) attributable to unitholders can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of unitholders on every Valuation Day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for Unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

The Fund's Board and the Fund Manager monitor capital on the basis of the value of net assets (equity) attributable to unitholders.

15. Unit value reconciliation

The Fund's financial assets held at amortized cost were considered for ECL as on 31 December 2025. However, the impact of ECL on these assets was immaterial as cash and cash equivalent and investment in Murabaha contracts are held with banks having sound credit rating and there is no history of default of these balances. Accordingly, these financial statements do not contain any ECL adjustments.

16. Last valuation day

The Fund's units are valued, and the net assets value is calculated at the end of each working day (valuation day). The last day of valuation was 31 December 2025.

17. 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 Fund's operating environment. With respect to 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 Fund Manager has been closely monitoring the impact of the developments on the Fund'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.

18. Approval of the financial statements

These financial statements were approved by the Fund's Board on 29 March 2026.