

YAQEEN IPO FUND
(Managed By Yaqeen Capital)
FINANCIAL STATEMENTS
For the year ended 31 December 2023
Together with the
Independent Auditor's Report

YAQEEEN IPO FUND
(Managed by Yaqeen Capital)
FINANCIAL STATEMENTS
For the year ended 31 December 2023

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KPMG Professional Services

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

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

واجهة الرياض، 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 IPO Fund

Opinion

We have audited the financial statements of **Yaqeen IPO Fund** (the "Fund") managed by Yaqeen Capital (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2023, 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, 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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") 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 ("ISA") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' 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 are 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.

Other matter

The financial statements of the Fund as at and for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 March 2023.

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 Accounting Standards 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 Board of 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, 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 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.

KPMG professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of SAR 40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاء محاسبين ومراجعين قانونيين". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لكي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان، جميع الحقوق محفوظة.



Independent Auditor's Report

To the unitholders of Yaqeen IPO Fund (continued)

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 ISA 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.

As part of an audit in accordance with 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 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, 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 IPO Fund** (the "Fund").

KPMG Professional Services



Hani Hamzah A. Bedairi
License No: 460

Riyadh: 17 Ramadan 1445H
Corresponding to: 27 March 2024



YAQEEEN IPO FUND
(Managed By Yaqeen Capital)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(All amounts are in Saudi Riyals unless stated otherwise)

	Notes	31 December 2023	31 December 2022
Assets			
Cash and cash equivalent	5	6,273,850	2,249,034
Financial assets at fair value through profit or loss (FVTPL)	6	<u>41,295,154</u>	<u>36,325,172</u>
Total assets		<u>47,569,004</u>	<u>38,574,206</u>
Liabilities			
Management fee payable	7	231,280	195,181
Other liabilities	8	<u>14,931</u>	<u>13,901</u>
Total liabilities		<u>246,211</u>	<u>209,082</u>
Net assets (equity) attributable to the Unitholders		<u>47,322,793</u>	<u>38,365,124</u>
Units in issue (number)		<u>8,531</u>	<u>9,309</u>
Net asset value per unit		<u>5,547.16</u>	<u>4,121.29</u>
Contingencies and commitments	9	-	-

The accompanying notes from 1 to 16 form an integral part of these financial statements.

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Saudi Riyals unless stated otherwise)

	Notes	31 December 2023	31 December 2022
Income			
Dividend income		886,136	725,858
Fair value gain on financial assets at FVTPL, net	6	<u>12,680,999</u>	<u>4,680,314</u>
		13,567,135	5,406,172
Expenses			
Management fee	10	(866,059)	(817,489)
Others	10	<u>(75,534)</u>	<u>(76,304)</u>
Total operating expenses		<u>(941,593)</u>	<u>(893,793)</u>
Profit for the year		12,625,542	4,512,379
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>12,625,542</u>	<u>4,512,379</u>

The accompanying notes from 1 to 16 form an integral part of these financial statements.

YAQEEN IPO FUND
(Managed By Yaqeen Capital)
STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Saudi Riyals unless stated otherwise)

	31 December 2023	31 December 2022
Net assets (equity) attributable to the Unitholders as at beginning of the year	38,365,124	37,436,673
Profit and total comprehensive income for the year	12,625,542	4,512,379
Unitholders' subscriptions and redemptions:		
Issuance of redeemable units during the year	2,439,778	10,069,195
Redemption of redeemable units during the year	(6,107,651)	(13,653,123)
Net assets (equity) attributable to the Unitholders as at end of the year	47,322,793	38,365,124

Movement in number of units

The movement in number of units are as follows:

	31 December 2023	31 December 2022
Number of units as at 1 January	9,309	10,228
Issuance of redeemable units during the year	479	2,396
Redemption of redeemable units during the year	(1,257)	(3,315)
Number of units as at 31 December	8,531	9,309

The accompanying notes from 1 to 16 form an integral part of these financial statements.

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Saudi Riyals unless stated otherwise)

	Notes	31 December 2023	31 December 2022
Cash flows from operating activities			
Profit for the year		12,625,542	4,512,379
Adjustment for non-cash items:			
Net fair value gain on financial assets at FVTPL	6	(12,680,999)	(4,680,314)
Changes in operating assets and liabilities:			
Purchase of financial assets at FVTPL	6	(50,978,629)	(60,480,991)
Proceeds from sale of financial assets at FVTPL	6	58,689,646	59,977,059
Management fee payable		36,099	(119,519)
Other liabilities		1,030	(904)
Net cash generated / (used) in operating activities		<u>7,692,689</u>	<u>(792,290)</u>
Cash flows from financing activities			
Issuance of redeemable units during the year		2,439,778	10,069,195
Redemption of redeemable units during the year		(6,107,651)	(13,653,123)
Net cash used from financing activities		<u>(3,667,873)</u>	<u>(3,583,928)</u>
Net increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		4,024,816	(4,376,218)
		<u>2,249,034</u>	<u>6,625,252</u>
Cash and cash equivalents at the end of the year	5	<u>6,273,850</u>	<u>2,249,034</u>

The accompanying notes from 1 to 16 form an integral part of these financial statements.

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Saudi Riyals unless stated otherwise)

1 GENERAL INFORMATION

Yaqeen IPO Fund (the "Fund") is a fund established under an agreement between Yaqeen Capital ("Fund Manager") and Fund Investors ("Unitholders"). The Fund's objectives are to invest in the shares of new enterprises through its initial public offering, which can provide opportunities for long-term capital growth. The fund invests in newly recognized enterprises on the Saudi Exchange. The fund also invests in low-risk assets. The Fund is "open-ended" and does not normally distribute any dividends to the Unitholders. Instead, all profits collected in 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 12 July 2008.

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by 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 12 Rajab 1442H (corresponding to 24 February 2021).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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

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 IPO FUND
(Managed By Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Saudi Riyals unless stated otherwise)

2 BASIS OF PREPARATION (CONTINUED)

2.2 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.

2.3 Functional and presentation currency

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

2.4 Financial Year

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

2.5 Use of judgements and estimates

In the ordinary course of business, the preparation of the 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

Following are the amendments to standards which are effective for annual periods beginning on or after 1 January 2023. The adoption of these new standards did not have a significant impact on the financial statements of the Company.

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction
- IFRS 17, ‘Insurance contracts’, as amended in December 2021

3.2 Standards issued but not yet effective

Following are the new amendments to standards, which are effective for annual periods beginning on, or after 1 January 2024 and earlier application is permitted however, the Company has not early adopted them in preparing these financial statements. The following standards are not expected to have a significant impact on the financial statements of the Company upon adoption:

- Amendments to IAS 1, Presentation of financial statements’, on classification of liabilities
- Amendments to IFRS 10 and IAS 28 related to sale or contribution of assets between an Investor and its Associate or Joint Ventures
- Amendment to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 1, Non-current Liabilities with Covenants

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Saudi Riyals unless stated otherwise)

4 MATERIAL ACCOUNTING POLICIES

The 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 December 31, 2022. Based on the adoption of new standard and in consideration of current economic environment, the following accounting policies are applicable effective January 1, 2023 replacing, amending, or adding to the corresponding accounting policies set out in 2022 annual financial statements.

4.1 Cash and cash equivalents

Cash and cash equivalents as referred to in the statement of cash flows comprise current account with the bank.

4.2 Financial instruments

4.2.1 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 that 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 income statement) 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 profit or loss. 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.

4.2.2 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.

4.2.3 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; and
- Financial assets at fair value through other comprehensive income.

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's management 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 value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, including on

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)
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FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Saudi Riyals unless stated otherwise)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Financial instruments (continued)

4.2.3 Classification and subsequent measurement of financial assets (continued)

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 statement of income as 'Dividend income' when the Fund's right to receive payments is established. The Fund has not classified any of its equity investments at FVOCI.

4.2.4 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 amortised cost using the effective interest rate method.

4.2.5 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.

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.

4.3 Equity attributable to Unitholders

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

(i) Redeemable units

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 redeemable units as an equity instrument if the redeemable units have all of the following features:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Saudi Riyals unless stated otherwise)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Equity attributable to Unitholders (continued)

- 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.
- 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 of the Fund over the life of the instrument.

In addition, in order to classify 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 equity or the change in the fair value of the recognized and unrecognized equity of the Fund; and
- The effect of substantially restricting or fixing the residual return to the instrument holders.

The Fund's redeemable participating units meet the definition of puttable instruments classified as equity instruments under IAS 32. 16(A-B) and accordingly, are classified as equity instruments.

The Fund continuously assesses the classification of the redeemable 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 International Accounting Standard (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 redeemable units are accounted for as equity transactions as long as the units are classified as equity.

(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.

4.4 Net assets value per unit

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

4.5 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.

Realized gains and losses on investments at FVTPL sold are determined on a weighted average cost basis. Dividend income is recognized in profit or loss when declared (i.e., when the Fund's right to receive the dividend is established).

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 (Managed By Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
 (All amounts are in Saudi Riyals unless stated otherwise)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.6 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:

4.6.1 Management fee

The Fund Manager charges the Fund, on every Valuation Day, a management fee at an annual rate of 1.75% (31 December 2022: 1.75%) of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

4.6.2 Custody fee

The Fund accrues custody fee expense at an annual rate of 0.02% (31 December 2022: 0.02%) of the net assets value. These charges are calculated and accrued on each dealing day.

4.6.3 Other expenses

The Fund Manager recovers from the Fund any other expense incurred on behalf of the Fund at rates and amounts specified in the Terms and Conditions of the Fund. These expenses include audit fee, benchmark fee, regulatory fee, legal, brokerage, independent director's remuneration, and other similar charges.

5 CASH AND CASH EQUIVALENT

	31 December 2023	31 December 2022
Cash at bank	6,237,850	2,249,034

Cash and cash equivalent comprise balances held with Al Bilad Bank which has a A3 long term credit rating according to Moody's.

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The Fund invests in the shares of enterprises within the targeted indicator portfolio, taking into account the relative weights of assets distribution, while sufficient cash is held continuously to meet expenses and any other obligations of the Fund.

	31 December 2023	31 December 2022
Investments in listed equity securities (note 6.1)	28,520,820	31,319,125
Investments in public fund (note 6.2)	12,774,334	5,006,047
	41,295,154	36,325,172

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Saudi Riyals unless stated otherwise)

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)
(CONTINUED)

Movement in investments carried at fair value through profit or loss is as follows:

	31 December 2023	31 December 2022
Opening balance	36,325,172	31,140,926
Purchased during the year	50,978,629	60,480,991
Sold during the year	(58,689,646)	(59,977,059)
	28,614,155	31,644,858
Net changes in investment at FVTPL		
Realized fair value gain, net for the year	7,943,535	8,014,719
Unrealized fair value gain / (loss), net for the period / year	4,737,464	(3,334,405)
Net fair value gain on financial assets at FVTPL	12,680,999	4,680,314
Closing balance	41,295,154	36,325,172

6.1 Investments in listed equity securities is valued at published market price on Tadawul. The geographical dispersion of above investments is within the Kingdom of Saudi Arabia.

Diversification of financial assets at fair value through profit or loss into industry groups specified by Tadawul is summarized as follows:

	31 December 2023	31 December 2022
Industry group		
Software and services	5,009,505	3,636,588
Energy	4,125,000	5,292,080
Material	3,359,288	5,060,369
Food & Beverages	2,634,250	-
Insurance	1,953,000	2,896,864
Consumer Staples Distribution and Retail	1,644,000	-
Media and Entertainment	1,566,500	-
Real estate management and development	1,533,600	3,174,595
Consumer Discretionary Distribution and Retail	1,497,990	-
Utilities	1,452,000	2,151,550
Capital goods	1,420,087	-
Health care equipment and Services	1,308,000	330,900
Telecommunication Services	1,017,600	-
Food and Staples Retailing	-	1,632,400
Consumer services	-	2,324,149
Retailing	-	1,529,580
Commercial and professional services	-	1,416,250
Transportation	-	1,113,860
Diversified Financials	-	759,940
	28,520,820	31,319,125

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts are in Saudi Riyals unless stated otherwise)

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)
(CONTINUED)

6.2 This represents an investments in various public funds as specified below.

	31 December 2023	31 December 2022
Yaqeen SAR Murabaha Fund	11,104,835	5,006,047
Yaqeen Petrochemical ETF	876,000	-
Yaqeen Saudi Equity ETF	793,499	-
	<u>12,774,334</u>	<u>5,006,047</u>

7 MANAGEMENT FEE PAYABLE

	Note	31 December 2023	31 December 2022
Balance as at 1 January		195,181	314,700
Expense for the year	7.1	866,059	817,489
Payment during the year		(829,960)	(937,008)
Balance as at 31 December		<u>231,280</u>	<u>195,181</u>

7.1 The Fund Manager charges the Fund, on every Valuation Day on daily basis, a management fee at an annual rate of 1.75% (31 December 2022: 1.75%) of the Fund's net assets value.

8 OTHER LIABILITIES

	Note	31 December 2023	31 December 2022
Balance as at 1 January		13,901	14,805
Expense for the year	8.1 & 8.2	75,534	76,304
Payment during the year		(74,504)	(77,208)
Balance as at 31 December		<u>14,931</u>	<u>13,901</u>

Other fees include custody fee and other expense which are based on predetermined rates as specified in the Terms and Conditions of the Fund. These expenses are recognised on accrual basis. Detailed policies are as follows:

8.1 Custody fee

The Fund accrues custody fee expense at an annual rate of 0.02% (31 December 2022: 0.02%) of the net assets value. These charges are calculated and accrued on each dealing day.

8.2 Other expenses

The Fund Manager recovers any other expenses paid on behalf of the Fund as per Terms and Conditions of the Fund.

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9 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31 December 2023 and 31 December 2022.

10 RELATED PARTY TRANSACTION 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.

Within the normal course of business, the Fund deals with related parties that are in turn subject to the Fund's terms and conditions issued by the CMA.

The Yaqeen Capital (Fund Manager) and funds managed by the Fund Manager are considered as related parties to the Fund.

Related party	Nature of transaction	Transactions		Closing balance	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Yaqeen Capital	Management and other fees (note 7)	(866,059)	(817,489)	231,280	195,181
Yaqeen SAR Murabaha Fund	Investment in Fund units, net – 7,949,925 units (31 December 2023: 3,748,371)	5,700,000	5,006,047	11,104,835	5,006,047
Yaqeen Saudi Equity ETF	Investment in / (Disposal of) Fund units, net – 15,289 units (31 December 2022: NIL)	768,994	(1,503,997)	793,499	-
Yaqeen Petrochemical ETF	Investment in Fund units, net – 29,200 units (31 December 2022: NIL)	957,680	-	876,000	-

The Fund pays management fees, custody fees and other expenses calculated on each Valuation Day in the percentages shown below of the Fund's net assets value.

	Annual Percentage Rate
Management fees	1.75%
Other fees and expenses, including: Custody fees	0.03%

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11 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 are based on prices quoted in active markets classified as level 1 and include quoted equity instruments. The Fund does not adjust the quoted price for these instruments.

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:

2023	Carrying value	Fair value		Total
		Level 1	Level 2	
Financial assets measured at fair value				
Investment in listed equity securities	28,520,820	28,520,820	-	28,520,820
Investment in public funds*	12,774,334	1,669,499	11,104,835	12,774,334
	45,295,154	30,190,319	11,104,835	45,295,154

2022	Carrying value	Fair value		Total
		Level 1	Level 2	
Financial assets measured at fair value				
Investment in listed equity securities	31,319,125	31,139,125	-	31,139,125
Investment in public funds*	5,006,047	-	5,006,047	5,006,047
	36,325,172	31,139,125	5,006,047	36,325,172

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11 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The Fund recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. During the years ended 31 December 2022 and 2021, there were no transfers into or out of Level 1, level 2 and level 3 fair value measurements.

*Investments in public funds represents investment in Yaqeen Saudi Equity ETF (exchange traded fund), Yaqeen Petrochemical ETF (exchange traded fund) and Yaqeen SAR Murabaha Fund (open-ended fund). The investments in exchange traded funds amounting to SR 1,669,449 are classified as Level 1 because their unit price is quoted on stock exchange. The remaining investment of SR 11,104,835 represents investment in Yaqeen SAR Murabaha Fund (open-ended fund) which is classified as Level 2. In 2022, the investment in public funds represents investment in SAR Murabaha Fund only hence classified as Level 2.

12 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The principal investment objectives of the Fund are to provide investors with income and capital growth over the medium and long term by trading in equity.

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 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 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 2023	31 December 2022
Cash and cash equivalents (note 5)	<u>6,237,850</u>	<u>2,249,034</u>

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.

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12 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (CONTINUED)

All financial assets were considered for ECL as on 31 December 2023 and 31 December 2022. However, the impact of ECL on these assets was immaterial as the Fund is not exposed to significant credit risk and there is no history of default on recovery of these balances.

The Fund Manager reviews the credit concentration of the investment portfolio, depending on the counterparties. The Fund is not currently exposed to credit risk within its investment portfolio. The cash and cash equivalents balance are deposited with Al Bilad Bank, which has an external credit rating from Moody's with a credit quality of A3.

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.

2023	Up to one year	More than one year and up to five years	More than five years	Total
Financial liabilities				
Management fee payable	231,280	-	-	231,280
Other liabilities	14,931	-	-	14,931
	246,211	-	-	246,211
2022	Up to one year	More than one year and up to five years	More than five years	Total
Financial liabilities				
Management fee payable	195,181	-	-	195,181
Other liabilities	13,901	-	-	13,901
	209,082	-	-	209,082

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12 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (CONTINUED)

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.

	Up to one year	More than one year	No fixed maturity	Total
2023				
Financial assets				
Cash and cash equivalents	-	-	6,273,850	6,273,850
Financial assets at fair value through profit or loss	-	-	41,295,154	41,295,154
	-	-	47,569,004	47,569,004
Financial liabilities				
Management fee payable	231,280	-	-	231,280
Other liabilities	14,931	-	-	14,931
	246,211	-	-	246,211
2022				
Financial assets				
Cash and cash equivalents	-	-	2,249,034	2,249,034
Financial assets at fair value through profit or loss	-	-	36,325,172	36,325,172
	-	-	38,574,206	38,574,206
Financial liabilities				
Management fee payable	195,181	-	-	195,181
Other liabilities	13,901	-	-	13,901
	209,082	-	-	209,082

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 it does not have any financial instruments that carry significant special commission.

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

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12 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (CONTINUED)

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 Manager closely monitors the price movement of the Fund financial instruments listed at Saudi Exchange "Tadawul". The Fund Manager manages the risks by diversifying its investment portfolio by investing in various market sectors.

Detail of the equity investments of the Fund is as follows:

	%	31 December 2023	%	31 December 2022
Industry group				
Software and services	17.6%	5,009,505	11.6%	3,636,588
Energy	14.5%	4,125,000	16.9%	5,292,080
Material	11.8%	3,359,288	16.2%	5,060,369
Food & Beverages	9.2%	2,634,250	-	-
Insurance	6.9%	1,953,000	9.2%	2,896,864
Consumer Staples Distribution and Retail	5.7%	1,644,000	-	-
Media and Entertainment	5.5%	1,566,500	-	-
Real estate management and development	5.4%	1,533,600	10.1%	3,174,595
Consumer Discretionary Distribution and Retail	5.3%	1,497,990	-	-
Utilities	5.1%	1,452,000	6.9%	2,151,550
Capital goods	5.0%	1,420,087	-	-
Health care equipment and Services	4.6%	1,308,000	1.1%	330,900
Telecommunication Services	3.6%	1,017,600	-	-
Food and Staples Retailing	-	-	5.2%	1,632,400
Consumer services	-	-	7.4%	2,324,149
Retailing	-	-	4.9%	1,529,580
Commercial and professional services	-	-	4.5%	1,416,250
Transportation	-	-	3.6%	1,113,860
Diversified Financials	-	-	2.4%	759,940
	100%	28,520,820	100%	31,319,125

The effect of a 5% increase in the value of the equity investments held at the reporting date would, all other variables held constant, have resulted in a increased in profit for the year and increased in net assets of SR 1,724,416 (2022: SR 1,565,956). A 5% decrease in their value would, on the same basis, have decreased profit for the year and decrease the net assets by the same amount.

13 CAPITAL MANAGEMENT

The capital of the Fund is represented by net assets (equity) attributable to holders of redeemable units. The net assets attributable to the Unitholders of redeemable units 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

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13 CAPITAL MANAGEMENT (CONTINUED)

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 Board and the Fund Manager monitor capital on the basis of the value of net assets (equity) attributable to Unitholders.

14 UNIT VALUE RECONCILIATION

In accordance with CMA circular no. 1/6/7218/17 dated 13 Rabi al-Thani 1439H (corresponding to 31 December 2017), the CMA Board decided on 10 Rabi al-Thani 1439H (corresponding to 28 December 2017) to restrict the recording of expected credit losses (ECL) calculated in accordance with IFRS 9 only for the purpose of financial reporting.

All financial assets held at amortized cost were considered for ECL as on 31 December 2023. However, the impact of ECL on these assets was immaterial as cash and cash equivalents are held with bank having sound credit rating and there is no history of default or recovery of these balances. Accordingly, this financial statement do not contain any significant ECL adjustments and therefore reconciliation of the unit price calculated according to the applicable financial reporting framework to the unit price calculated for the purpose of unit transactions is not required.

15 LAST VALUATION DAY

The Fund 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 2023.

16 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund's Board on 27 March 2024