

YAQEEEN IPO FUND
(Managed by Yaqeen Capital)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2023
Together with the
Independent Auditor's Review Report

YAQEEEN IPO FUND
(Managed by Yaqeen Capital)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2023

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كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
المركز الرئيسي

سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

Independent auditor's report on review of condensed interim financial statements

To the unitholders of Yaqeen IPO Fund

Introduction

We have reviewed the accompanying 30 June 2023 condensed interim financial statements of **Yaqeen IPO Fund** ("the Fund"), managed by Yaqeen Capital ("the Fund Manager"), which comprises:

- the condensed interim statement of financial position as at 30 June 2023;
- the condensed interim statement of comprehensive income for the six months period ended 30 June 2023;
- the condensed interim statement of changes in net assets (equity) attributable to the unitholders for the six months period ended 30 June 2023;
- the condensed interim statement of cash flows for the six months period ended 30 June 2023; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the International Accounting Standards 34: *Interim Financial Reporting* ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority and the Fund's Terms and Conditions. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410: *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2023 condensed interim financial statements of **Yaqeen IPO Fund** are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.



Independent auditor's report on review of condensed interim financial statements

To the unitholders of Yaqeen IPO Fund (continued)

Other matter - comparative information

The condensed interim financial statements of the Fund for the six months period ended 30 June 2022, were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on 24 August 2022. Furthermore, 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.

KPMG Professional Services



Hani Hamzah A. Bedairi
License no. 460



Riyadh: 23 Muharram 1445H
Corresponding to: 10 August 2023

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

(All amounts are in Saudi Riyals unless stated otherwise)

	Note	<u>30 June 2023</u> (Unaudited)	<u>31 December 2022</u> (Audited)
ASSETS			
Cash and cash equivalents	6	2,287,454	2,249,034
Financial assets at fair value through profit or loss (FVTPL)	7	41,847,452	36,325,172
Dividend receivable		3,750	-
Total assets		<u>44,138,656</u>	<u>38,574,206</u>
LIABILITIES			
Accrued management fees	9	211,849	195,181
Other liabilities		14,736	13,901
Total liabilities		<u>226,585</u>	<u>209,082</u>
Net assets (equity) attributable to the Unitholders		<u>43,912,071</u>	<u>38,365,124</u>
Units in issue (number)		<u>8,583</u>	<u>9,309</u>
Net asset value per unit	11	<u>5,116.04</u>	<u>4,121.28</u>

The accompanying notes from 1 to 13 form an integral part of this condensed interim financial statements.

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**
(All amounts are in Saudi Riyals unless stated otherwise)

	Note	For the six months period ended 30 June	
		2023	2022
Income			
Dividend income		567,458	378,470
Gain on financial assets at FVTPL, net	7	8,784,653	3,218,937
Total operating income		9,352,111	3,597,407
Expenses			
Management fees	9	(408,256)	(410,167)
Other expenses		(38,774)	(39,562)
Total operating expenses		(447,030)	(449,729)
Profit for the period		8,905,081	3,147,678
Other comprehensive income for the period		-	-
Total comprehensive income for the period		8,905,081	3,147,678

The accompanying notes from 1 to 13 form an integral part of this condensed interim financial statements.

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)

CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts are in Saudi Riyals unless stated otherwise)

	30 June 2023	30 June 2022
Net assets (equity) attributable to the Unitholders at the beginning of the period (Audited)	38,365,124	37,436,673
Total comprehensive income for the period	8,905,081	3,147,678
Unitholders subscriptions and redemptions:		
Issuance of redeemable units during the period	572,632	9,768,587
Redemption of redeemable units during the period	(3,930,766)	(8,948,716)
Net assets (equity) attributable to the Unitholders at the end of the period (Unaudited)	43,912,071	41,404,222

Movement in number of units

The movement in number of units for the six month period ended 30 June is as follows:

	30 June 2023	30 June 2022
Number of units at the beginning of the period (Audited)	9,309	10,228
Issuance of redeemable units during the period	120	2,323
Redemption of redeemable units during the period	(846)	(2,201)
Number of units at the end of the period (Unaudited)	8,583	10,350

The accompanying notes from 1 to 13 form an integral part of this condensed interim financial statements.

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

(All amounts are in Saudi Riyals unless stated otherwise)

	Note	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Cash flows from operating activities			
Profit for the period		8,905,081	3,147,678
<i>Adjustments to reconcile profit for the period to net cash flows generated / (used in) operating activities:</i>			
Unrealised (gain) / loss on financial assets at FVTPL	7	(8,539,650)	1,379,690
Net (increase) / decrease in operating assets and liabilities:			
Net change in financial assets at FVTPL		3,017,369	(10,558,829)
Dividends receivable		(3,750)	-
Accrued management fees		16,668	(98,475)
Other liabilities		836	(942)
Net cash generated / (used) in operating activities		3,396,554	(6,130,878)
Cash flows from financing activities			
Issuance of redeemable units during the period		572,632	9,768,587
Payment made against redemption of the units		(3,930,766)	(8,948,716)
Net cash (used) / generated from financing activities		(3,358,134)	819,871
Net increase / (decrease) in cash and cash equivalents		38,420	(5,311,007)
Cash and cash equivalents at the beginning of the period		2,249,034	6,625,252
Cash and cash equivalents at the end of the period	6	2,287,454	1,314,245

The accompanying notes from 1 to 13 form an integral part of this condensed interim financial statements.

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

(All amounts are in Saudi Riyals unless stated otherwise)

1. GENERAL

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 recognised enterprises on the Saudi Stock Exchange. The fund also invests liquidity available 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 Company
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 Manager prepares separate financial statement 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”).

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard IAS-34 “Interim Financial Reporting” as 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 does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the condensed interim 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 the Fund’s terms and conditions (collectively hereinafter referred to as “Terms and Conditions”).

The disclosures made in these condensed interim financial statements have been limited in accordance with the requirements of IAS 34. This condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended 31 December 2022.

YAQEEN IPO FUND
(Managed By Yaqeen Capital)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

(All amounts are in Saudi Riyals unless stated otherwise)

2. BASIS OF PREPARATION (continued)

2.2 Basis of measurement

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

Furthermore, these condensed interim financial statements are prepared using going concern basis.

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

In the ordinary course of business, the preparation of the condensed interim financial statements require 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 condensed interim financial statements.

3. NEW AND AMENDED STANDARDS

Standard amendments issued and effective

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 condensed interim 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

Standard amendments 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 interim 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

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the last annual audited financial statements of the Fund for the year ended 31 December 2022.

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

(All amounts are in Saudi Riyals unless stated otherwise)

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 an accrual basis. Management and custody fee are based on predetermined rates specified in the Terms and Conditions of the Fund. Detailed policies are as follows:

Management fee

The Fund pays 1.75% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

Custody fee

The Fund accrues custody fee at an annual rate of 0.02% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

6. CASH AND CASH EQUIVALENTS

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Cash at bank	<u>2,287,454</u>	<u>2,249,034</u>

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

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

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

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Investments in listed equity securities (note 7.1)	34,488,315	31,319,125
Investments in public fund (note 7.2)	7,359,137	5,006,047
	<u>41,847,452</u>	<u>36,325,172</u>

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

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Opening balance	36,325,172	31,140,926
Purchased during the period / year	27,299,651	60,480,991
Sold during the period/ year	(30,562,024)	(59,977,059)
	<u>33,062,799</u>	<u>31,644,858</u>
Net changes in investment at FVTPL		
Realized fair value gain, net for the period / year	245,003	8,014,719
Unrealized fair value gain / (loss), net for the period / year	8,539,650	(3,334,405)
Fair value gain on financial assets at FVTPL, net	8,784,653	4,680,314
Closing balance	<u>41,847,452</u>	<u>36,325,172</u>

YAQEEEN IPO FUND
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

(All amounts are in Saudi Riyals unless stated otherwise)

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)
(Continued)**

7.1 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:

Industry group	30 June 2023		31 December 2022	
	%	(Unaudited)	%	(Audited)
Energy	14.4%	4,966,500	16.9%	5,292,080
Material	13.9%	4,809,106	16.2%	5,060,369
Utilities	10.8%	3,719,400	6.9%	2,151,550
Software and services	10.6%	3,650,000	11.6%	3,636,588
Food and Staples Retailing	8.7%	3,005,900	5.2%	1,632,400
Insurance	7.9%	2,731,400	9.2%	2,896,864
Consumer services	7.4%	2,540,845	7.4%	2,324,149
Retailing	7.2%	2,495,600	4.9%	1,529,580
Food & Beverages	5.7%	1,982,860	-	-
Capital goods	5.6%	1,943,376	-	-
Media and Entertainment	4.8%	1,668,928	-	-
Health care equipment and Services	2.8%	974,400	1.1%	330,900
Real estate management and development	-	-	10.1%	3,174,595
Commercial and professional services	-	-	4.5%	1,416,250
Transportation	-	-	3.6%	1,113,860
Diversified Financials	-	-	2.4%	759,940
	100%	34,488,315	100%	31,319,125

7.2 This represents an investment in units of Yaqeen SAR Murabaha Fund (open-ended Fund) managed by Yaqeen Capital. The primary activity of Yaqeen SAR Murabaha Fund is to invest in Shari'ah-compliant Murabaha contracts.

8. FAIR VALUE ESTIMATION

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.

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

(All amounts are in Saudi Riyals unless stated otherwise)

8. FAIR VALUE ESTIMATION (CONTINUED)

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.

The fund has classified investments measured at fair value through profit or loss (FVTPL) as level 1 as per the fair value hierarchy. During the period, there has been no transfer in fair value hierarchy. For other financial assets and liabilities, such as cash and cash equivalents, dividend receivables, accrued management fees and other liabilities, the carrying values were determined to be a reasonable approximation of fair value due to their nature.

9. 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.

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. All transactions with related parties are approved by the Fund's Board.

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

		<u>Amount of transactions</u>		<u>Closing balance</u>	
		<u>30 June 2023</u>	<u>30 June 2022</u>	<u>30 June 2023</u>	<u>31 December 2022</u>
Related party	Nature of transaction	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Yaqeen Capital	Management and other fees	(408,256)	(410,167)	211,849	195,181
Yaqeen SAR Murabaha Fund	Investment in/ (Disposal of) Fund units	2,200,000	-	7,359,137	5,006,047

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

	<u>Percentage</u>
Management fees	1.75%
Other fees and expenses, including Custody fees	0.02%

YAQEEEN IPO FUND
(Managed By Yaqeen Capital)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

(All amounts are in Saudi Riyals unless stated otherwise)

10. CONTINGENCIES AND COMMITMENTS

There are no commitments and contingencies as of 30 June 2023.

11. 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 30 June 2023. However, the impact of ECL on these assets was immaterial as cash and cash equivalents are held with bank and dividend receivable recoverable from a company having sound credit rating and there is no history of default or recovery of these balances. Accordingly, this condensed interim financial statements 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.

12. 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 30 June 2023.

13. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements were approved by the Fund's Board on 10 August 2023.