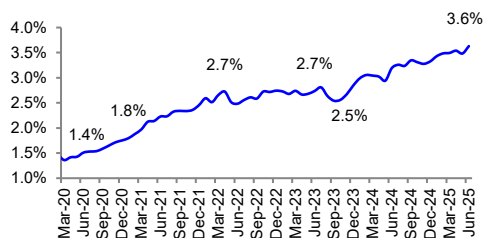
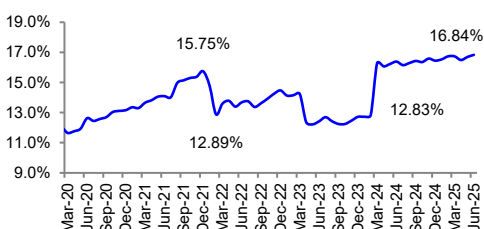


QFI ownership trend (as % of Total Mcap)



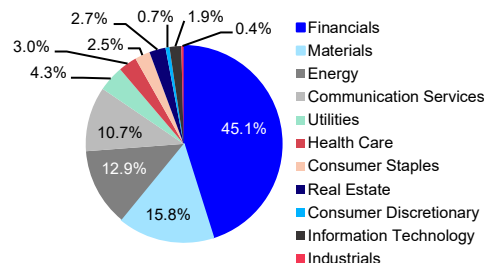
Source: Tadawul, Al Rajhi Capital

QFI ownership (as a % of FF*Mcap) trend



Source: Tadawul, Al Rajhi Capital. * Free Float Market Capitalization

Sector Weights

Source: MSCI, Al Rajhi Capital; Data as of 21st July 2025

MSCI Saudi Arabia Index- Largest Constituents

Company	FIF Adj Mcap (US\$bn)*	Index weights
Al Rajhi Banking & Inv	50.2	16.56%
Saudi Aramco	37.3	12.32%
Saudi National Bank	28.7	9.49%
Saudi Telecom Co	23.5	7.76%
Saudi Arabian Mining Co	19.8	6.53%
Saudi Basic Ind Corp	13.1	4.32%
Riyadh Bank	10.9	3.61%
ACWA Power	9.5	3.14%
Saudi British Bank	8.8	2.91%
Alinma Bank	8.5	2.79%

Source: MSCI, Al Rajhi Capital; Data as of 21st July 2025

MSCI Quarterly Review – August 2025

Standard index: No inclusion candidate, while Kayan potential exclusion

- In the last quarterly review (May 2025), MSCI added Jabal Omar and MCDC to the MSCI Saudi Arabia Standard Index.
- The outcome of upcoming review (August 2025) will be announced on 7th August, with changes becoming effective from 27th August 2025.
- Based on the cut-off date of 21st July (within the last 10 trading days of the month), we have analysed potential changes to the MSCI Saudi Arabia Standard Index (large and mid-cap only) and MSCI Small Cap.
- We foresee no inclusion candidate but **Saudi Kayan** is a potential exclusion candidate in MSCI Saudi Arabia Standard Index.
- Looking ahead to the Nov'25 review, **Astra** and **Aldrees** could be inclusion candidates if they rally ~30%, assuming the cut-off remains unchanged.
- Masar** and **Riyadh Cables** exceed gross mcap. limit but fall short on free float; Riyadh cables could qualify if it rallies ~25% before the November review.
- MSCI Small Cap - Inclusions: Derayah, Fakeeh, Zamil, Cenomi Retail; Taiba** has lower odds due to free float constraint. **Exclusions: Halwani, Alamar, and Northern Cement** are at borderline but not breaching lower threshold.

MSCI Standard Index: Considering the latest reference point cut-off, most of the existing constituents remain above the standard market cap threshold. However, Saudi Kayan's market cap (SAR 6.9bn) falls below the required level, and its free float-adjusted market cap also trails the reference point — putting it at clear risk of being downgraded to the small-cap index.

Potential candidates for next review (Nov'25) in Standard Index: Potential inclusion candidates for the next review (Nov'25); Astra and Aldrees could emerge as potential inclusion candidates if their share prices rally by around 30%, assuming the current cut-off levels remain unchanged. On the other hand, both Masar and Riyadh Cables exceed the gross market cap. requirement but fall short on MSCI-defined free float-adjusted market cap. Masar's low free float limits its chances of inclusion, while Riyadh cables could qualify if it rallies around 25% and meets the adjusted threshold before the next review.

MSCI Small Cap: On the inclusion side, Derayah, Fakeeh, Zamil, and Cenomi Retail emerge as potential candidates. Taiba also appears on the radar, although its inclusion probability remains relatively low as it falls short on free float level. On the other hand, Halwani Brothers, Alamar, and Northern Cement are at risk of exclusion. However, none of them are currently breaching MSCI's defined lower threshold. Historically, such borderline cases have generally been retained in the index, suggesting a limited likelihood of exclusion at this stage unless the cut-off is higher than considered by us.

Current weights of MSCI Saudi Arabia Index/flows: The MSCI Saudi Index currently comprises 41 stocks (would become 40 if Kayan goes out) with Al Rajhi (16.6%) and Saudi Aramco (12.3%) being the largest constituents among all the Saudi companies in MSCI Saudi Index as of 21st July 2025. KSA's current weight in the EM index is estimated to be at around 3.37% (as of 21st July 2025). Assuming the proforma weight of Saudi Arabia remains unchanged at 3.37% (rounded up) in the MSCI EM, based on our in-house calculations, we estimate outflows are USD 66mn for Saudi Kayan. In terms of average trading value over the last three months and 20 days, it implies ~8-12 days to cover the outflows for Saudi Kayan. The other possibilities have been highlighted as under-

Figure 1 Potential Exclusion Contender for the Upcoming Review (May 2025 Review)

Aug'25 Review	Market Cap (\$mn)	Deletion Probability	Outflows (\$mn)	Outflows (SAR mn)	DTC - Based on 20D Avg. turnover	DTC - Based on 3M Avg. turnover
Saudi Kayan	1,840	High	66	248	7.9	11.5

Source: MSCI, Bloomberg, Al Rajhi Capital; Data as of 21st July 2025 * Flows are ARC estimates

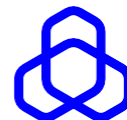
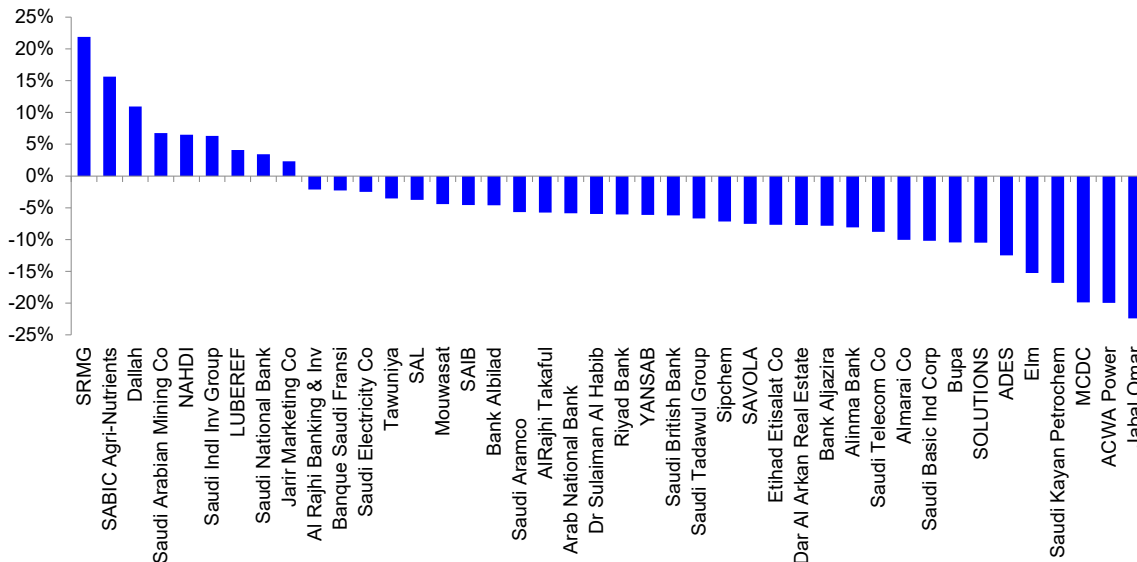
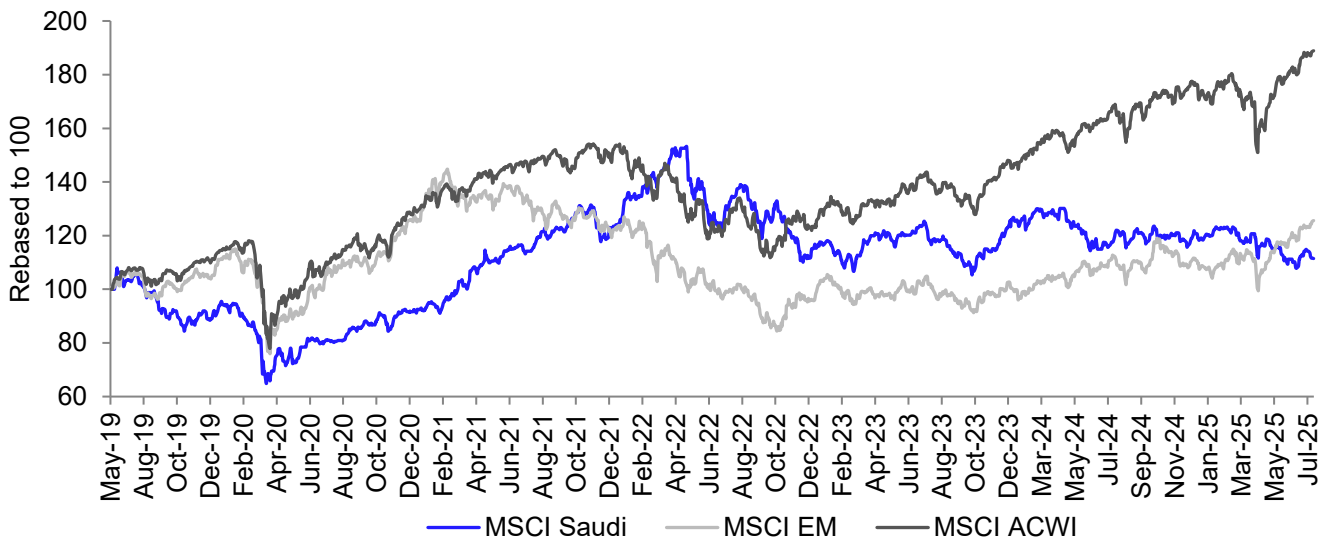


Figure 2 MSCI Stock Performance since the last MSCI review announcement



Source: Bloomberg, Al Rajhi Capital; Data as of 21st July 2025

Figure 3 MSCI Saudi Arabia Performance vs MSCI EM and MSCI ACWI indexes



Source: Bloomberg, Al Rajhi Capital; Data as of 21st July 2025

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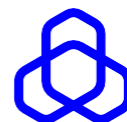
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