



معيار المالية
MIYAR CAPITAL

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2025

Miyar Saudi Equity Fund

ANNUAL REPORT

Domestic public open-ended equity fund

Table of Contents

- A) Investment Fund Information 3
- B) Fund Performance 3
- C) Fund Manager 9
- D) Custodian 11
- E) Fund Operator 11
- F) Auditor 12
- G) Financial Statements 12

A- Investment Fund Information

1. Name of the Investment Fund:

Miyar Saudi Equity Fund.

2. Investment Objectives, Policies, and Practices:

The fund aims to achieve medium to long-term capital growth by investing in Saudi companies listed on the Saudi Main Market (TASI) or the Parallel Market (Nomu), in compliance with Sharia Committee standards, and to achieve returns that outperform the benchmark.

3. Distribution of income and gain policy:

The fund does not distribute periodic dividends to unit holders.

4. The fund's reports are available upon request and free of charge.

5. Benchmark Description and Service Provider Website:

The benchmark used to measure the fund's investment performance is the Saudi Equity Index, which is Sharia-compliant as provided by **IdealRatings**.

B- Fund Performance

1) A comparative table covering the last three financial years:

| Items | 2023 | 2024 | 2025 |
|--|---------------|------------|------------|
| Net Asset Value (NAV) at the end of each financial year | 51,774,861.64 | 66,392,998 | 44,560,820 |
| Net Asset Value (NAV) per unit at the end of each financial year | 10.82 | 12.29 | 11.31 |
| Highest Net Asset Value (NAV) per unit for each financial year | 10.91 | 12.94 | 13.09 |
| Lowest Net Asset Value (NAV) per unit for each financial year | 9.31 | 10.27 | 10.82 |
| Comparison of benchmark performance with fund performance | -1.41% | 10.17% | 7.71% |

| Items | 2023 | 2024 | 2025 |
|--|------------|------------|------------|
| Number of units issued at the end of each financial year | 4,787,018 | 5,404,346 | 3,941,427 |
| Expense Ratio | 0.9% | 4.93% | 2.82% |
| Fund Manager's Investment | 11,189,403 | 14,882,969 | 14,829,532 |

2) Performance Record.

A. Total return for one year, three years, five years, or since inception:

| Item | 1 Year | 3 Years | 5 Years | Since Inception |
|--------------------------------|---------|---------|---------|-----------------|
| Fund Performance | -7.97% | — | — | 13.06% |
| Benchmark Performance | -15.68% | — | — | -5.85% |
| Performance Difference (Alpha) | 7.71% | — | — | 18.90% |

B. Annual total return for each of the last ten financial years, or since inception:

| Year | 2023 | 2024 | 2025 | Since Inception |
|--------------------------------|--------|--------|---------|-----------------|
| Fund Performance | %8.14 | %13.60 | %7.97- | 13.06% |
| Benchmark Performance | %9.55 | 3.43% | %15.68- | -5.85% |
| Performance Difference (Alpha) | -%1.41 | 10.17% | %7.71 | 18.90% |

C. Fees, Commissions, and Charges:

| Fees (in Saudi Riyal) | Net Value | Expense Ratio to Average Net Assets |
|-----------------------|--------------|-------------------------------------|
| Subscription Fees | - | - |
| Fund Management Fees | - | - |
| Performance Fees | 1,132,464.29 | 2.54% |
| Custodian Fees | - | - |
| External Auditor Fees | 51,750 | 0.12% |
| Sharia Auditor Fees | 6,500 | 0.03% |
| Trading Fees | 5,750 | 0.01% |

| | | |
|-------------------------------|------------------|--------------|
| CMA Audit Fees | 7500 | 0.02% |
| Independent Board Member Fees | 12,000 | 0.03% |
| Stock Purification Expenses | 18000 | 0.04% |
| Benchmark Expenses | 18,373 | 0.04% |
| Other Expenses | 3,583 | 0.01% |
| Total Expenses | 3,270,197 | 2.82% |

*The Fund Manager acknowledges that performance data calculation rules and any assumptions have been applied consistently.

3) If there were material changes that occurred during the period and that affected the performance of the fund, these changes must be clearly disclosed.

None.

4) Disclosure of the exercise of annual voting rights and it must include the issuer's name and the date of the General Assembly and the subject of the vote and the decision to vote (agree / disagree / abstain from voting).

None.

5) Fund Board.

A. Names of the Fund Board Members and their Membership Type:

| Board Member Name | Membership Type |
|--------------------------------|-----------------------------------|
| Ghassan Abdulrahman Al-Thakier | Non-Independent Member (Chairman) |
| Mohammed Omar Al-Bisher | Independent Member |
| Ayman Mansour Al-Idan | Independent Member |
| Raid Saleh Al-Muti | Non-Independent Member |

B. Brief Overview of the Fund Board Members' Qualifications:

- **Mr. Ghassan Abdulrahman Al-thakir (Chairman)**
Managing Director and CEO of Miyar Capital Company.

He possesses over 15 years of experience in asset management and investment research. He held the position of CEO at Dar Al Tamweel and Financial Investment Company, where he worked on obtaining the Capital Market Authority (CMA) license by transitioning the company from "Arranging and Advising" to managing private portfolios and investment funds. He also held the position of Senior Director of Investment Funds at Al

Rajhi Capital, where he was responsible for managing all local and international equity funds, as well as managing the Saudi Equity Fund and Alinma Saudi Equity Fund at Alinma Investment, Senior Financial Analyst, and Head of the Asset Management Research Team, where he covered the banking and petrochemical sectors at Falcom Financial Services.

Holds a Bachelor's degree in Industrial Management from King Fahd University of Petroleum and Minerals (KFUPM) in the Kingdom of Saudi Arabia, 2007.

- **Mr. Mohammed Omar Al-Bisher (Independent Member)**

Currently serves as the General Manager of the Credit Insurance Department at the Saudi Export-Import Bank (EXIM). He possesses extensive leadership experience spanning over 26 years, combining financial and administrative responsibilities in the fields of insurance, financial services, investment, risk management, and industrial marketing. He has served as General Manager of the Credit Insurance Department at Saudi EXIM Bank from 2021 to the present. He previously held the position of Investment Manager at the Arab Petroleum Investments Corporation (APICORP), Assistant General Manager for Business Development in the Risk Management Department at Ernst & Young (EY), Manager of the Credit Insurance Unit assigned to the Saudi Export Program at the Saudi Fund for Development, and Sales Manager for the Middle East region at Saudi Basic Industries Corporation (SABIC).

Holds a Master's degree in Financial Management from George Washington University and a Bachelor's degree in Business Administration with a major in Finance from King Saud University.

- **Mr. Ayman Mansour Al-Idan (Independent Member)**

Currently serves as the Financial Investment Manager at Bazil Al-Khair for Commercial and Real Estate Business. He possesses over 10 years of administrative experience in financial investment management and previously held the position of Business Development Manager at Bazil Al-Khair. He served as the Acting CEO at Emirates Dubai National Securities and Head of the Brokerage Department at Emirates Dubai National Securities.

Held the position of Acting International Brokerage Manager at Bank Albilad.

Held the position of International Equities Desk Manager at Al Fransi Capital.

Holds a Bachelor's degree in Applied Medical Sciences from King Saud University.

Holds several certified certificates and courses in financial management, including the Financial Valuation certification (CVA), SAMA Brokerage Training, and Investment Principles course from the Saudi Central Bank (NCB Capital).

- **Mr. Raid Saleh Al-Muti (Non-Independent Member)**

Holds a Bachelor's degree in Financial Management from King Saud University. He also holds the Capital Market Examination (CME-1) certification, in addition to the International Certificate in Wealth and Investment Management (ICWIM), and several courses in fund and portfolio management. He possesses over 16 years of experience in asset management and investment services and served as the "Head of Money Markets" in the

Asset Management department at Albilad Capital.

Prior to joining Miyar Capital, he was the Head of Money Markets at SICO Capital, and before that, he held the same position at Itqan Capital.

C. Description of the Fund Board's Roles and Responsibilities:

1. Approving all material contracts, decisions, or reports to which the Fund is a party.
2. Adopting a written policy regarding voting rights related to the Fund's assets.
3. Overseeing and, where appropriate, approving or ratifying any conflict of interest disclosed by the Fund Manager in accordance with the regulations.
4. Meeting at least twice a year with the Fund Manager's Compliance and Conformance Committee to ensure compliance with all applicable rules and regulations.
5. Approving all changes stipulated in Articles (64) and (65) of the Investment Funds Regulations, prior to the Fund Manager obtaining approval from unit holders and the Authority or notifying them (where applicable).
6. Ensuring the completeness and accuracy of the Fund's Terms and Conditions and any other document (whether a contract or otherwise) containing disclosures related to the Fund, the Fund Manager, and its management of the Fund, in addition to ensuring compliance with the Investment Funds Regulations.
7. Ensuring that the Fund Manager fulfills its responsibilities in the best interest of the unit holders in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
8. Reviewing the report containing the evaluation of the performance and quality of services provided by the parties involved in providing material services to the Fund, as referred to in Paragraph (L) of Article (9) of the Investment Funds Regulations, to ensure the Fund Manager fulfills its duties effectively.
9. Evaluating the Fund Manager's mechanism for dealing with risks related to the Fund's assets in accordance with the Fund Manager's policies and procedures for monitoring and addressing fund-related risks.
10. Acting with honesty, good faith, care, skill, diligence, and concern in a manner that serves the best interests of the unit holders.
11. Recording minutes of meetings that include the proceedings of the meetings and the decisions taken by the Fund's Board of Directors.
12. Reviewing the report containing all complaints and the actions taken regarding them, as referred to in Paragraph (M) of Article (9) of the Investment Funds Regulations; this is to ensure that the Fund Manager is fulfilling its responsibilities in a manner that achieves the interests of unit holders, in accordance with the Fund's Terms and Conditions and the provisions of the Investment Funds Regulations.

D. Details of Fund Board Members' Remuneration.

Only independent members receive an annual remuneration of 3,000 SAR for each attended meeting, with a maximum limit of 12,000 SAR per year for each member.

E. Statement of Any Actual or Potential Conflict of Interest Between a Fund Board Member and the Fund.

The Fund Manager ensures that none of its subordinates engage in any work that involves a conflict of interest. In the event of any material conflict of interest between the Fund Manager or a sub-manager and the Fund's interests, the Fund Manager shall immediately disclose this to the Fund Board as soon as possible. Furthermore, Fund Board members must disclose any actual or potential conflict of interest between a Board member's interests and the Fund's interests.

F. Statement Showing All Fund Boards in Which the Fund Board Member Participating In:

| Name | Membership Type | Fund Manager | Participated in Fund Boards |
|--------------------------------|-----------------------------------|---------------------|--|
| Ghassan Abdulrahman Al-thakhir | Non-Independent Member (Chairman) | Miyar Capital | Miyar Saudi Equity Fund Miyar Murabaha Fund |
| Mohammed Omar Al-Bisher | Independent Member | Miyar Capital | Miyar Saudi Equity Fund Miyar Murabaha Fund |
| Ayman Mansour Al-Idan | Independent Member | Miyar Capital | Miyar Saudi Equity Fund Miyar Murabaha Fund |
| Raid Saleh Al-Muti | Non-Independent Member | Miyar Capital | Miyar Saudi Equity Fund Miyar Murabaha Fund |

G. Topics topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives.

The Fund Board held two meetings during the year 2025. Below is a summary of the most important decisions approved and topics discussed by the Fund Board:

- Discussing the Fund's achievement of its objectives and its performance during the year.
- The Fund's compliance with the Capital Market Authority (CMA) Law and its Executive Regulations, in coordination with the Compliance Officer.

C. Fund Manager:

1. Name and Address of the Fund Manager:

Miyar Capital Company

Dhaman Complex – Al-Hoor 5th – King Fahd Road – Al-Muhammadiyah District, Riyadh. Phone: 920032099P.O. Box: 12363 Riyadh 4590, Kingdom of Saudi Arabia. Email: info@miyarcapital.com.sa

2. Name and address of the Sub-Fund Manager and/or Investment Advisor.

None.

3. Review of Investment Activities During the Period.

Investments were primarily made in carefully selected stocks according to the fund's strategy, while maintaining an appropriate level of diversification. During certain periods, weights in some companies were increased or decreased to align with market opportunities, with the aim of maintaining performance levels and achieving the best possible return.

4. Report on Fund Performance During the Period.

Fund performance during the period: 7.97%.

%7.71 higher than the benchmark.

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

No updates were made during the year.

6. Any other information that would enable unitholders to make an informed judgment about the fund's activities during the period.

None.

7. If the investment fund invests substantially in other investment funds, a statement must disclose on the proportion of the management fees charged to the fund itself and to funds in which the funds invests.

None.

8. A statement regarding special commissions received by the fund manager during the period, clearly stating their nature and how they were utilized.

None.

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

The Fund Manager's ownership in the fund is 33.23% by the end of 2025.

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

Since May 3, 2023.

11. Disclosure of the expense ratio of each fund at the end of the year and the weighted average expense ratio of all main funds invested in.

None.

D) Custodian.

1. Name and Address of the Custodian:

Al Rajhi Capital, License No. (07068-37) dated 18/03/2008G.

Kingdom of Saudi Arabia, King Fahd Road - Al Olaya, Riyadh 12263 - 2743.

2. Brief Description of Duties and Responsibilities:

- The Custodian is responsible for its obligations in accordance with the provisions of the Investment Funds Regulations, whether it performs its responsibilities directly or assigns them to a third party under the provisions of the Investment Funds Regulations or the Capital Market Institutions Regulations.
- The Custodian is liable to the Fund Manager and unit holders for the Fund's losses resulting from fraud, negligence, misconduct, or intentional default by the Custodian.
- The Custodian is responsible for the custody and protection of the Fund's assets for the benefit of unit holders and is also responsible for taking all necessary administrative measures regarding the custody of the Fund's assets.

E) Fund Operator.

1. Name and Address of the Fund Operator:

Miyar Capital Company Dhaman Complex – 5th Floor – King Fahd Road – Al-Muhammadiyah District, P.O. Box 12363, Riyadh 4590, Kingdom of Saudi Arabia. Phone: 920032099 Email: info@miyarcapital.com.sa
Website: www.miyarcapital.com.sa

2. Brief Description of Duties and Responsibilities:

- The Fund Operator is responsible for the operation of the fund.
- The Fund Operator maintains the books and relevant records for the fund's operation.
- The Fund Operator prepares and updates the register of unit holders and maintains it in the Kingdom in accordance with the requirements of the Investment Funds Regulations.

- The Fund Operator is responsible for the dividend distribution process (if any) according to the distribution policy stipulated in the Fund's Terms and Conditions.
- The Fund Operator performs subscription, redemption, and transfer procedures as stipulated in the Fund's Terms and Conditions.
- The Fund Operator is responsible for fully and fairly valuing the fund's assets and calculating the price of fund units as stated in the Fund's Terms and Conditions.

O) Auditor.

Name and Address of the Auditor:

Ibrahim Ahmed Al-Bassam & Co. (PKF)

Building No. 4217, Prince Mohammed bin Abdulaziz Road.

P.O. Box: 69658, Riyadh 11557, Kingdom of Saudi Arabia.

Fax: +966112065444

Website: www.pkfalbassam.com

F) Financial Statements.

Miyar Saudi Equity Fund
(Open-Ended investment Fund)
(Managed by Miyar capital Company)
Independent Auditor's Report and financial statements
For the year ended 31 December 2025

INDEPENDENT AUDITOR'S REPORT






**TO THE UNITHOLDERS OF MIYAR SAUDI EQUITY FUND
OPEN-ENDED INVESTMENT FUND
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

(1 /3)

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Miyar Saudi Equity Fund (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 that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the fund, which comprise the following:

-  The statement of financial position as at 31 December 2025;
-  The statements of (loss) / comprehensive income for the year then ended;
-  The statement of changes in net assets (equity) attributable to the unitholders for the year then ended;
-  The statement of cash flows for the year then ended, and;
-  The notes to the financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with the 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 from the fund in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and according to the investment funds regulations and the terms and conditions of the fund and for such internal control as management 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, management 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 management either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MIYAR SAUDI EQUITY FUND
OPEN-ENDED INVESTMENT FUND
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

(2 /3)

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS (CONTINUED)

Those charged with governance, i.e. the Board of Directors, are 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.

As part of an audit in accordance with the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MIYAR SAUDI EQUITY FUND
OPEN-ENDED INVESTMENT FUND
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

(3 /3)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- 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.

PKF Al-Bassam
Chartered Accountants



Abdullellah Al Bassam
Certified Public Accountant
License No. 703
Riyadh, Kingdom of Saudi Arabia
11 Shawwal 1447H
Corresponding to: 30 March 2026G



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MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
Financial Statements
For the year ended 31 December 2025

| <u>INDEX</u> | <u>PAGE</u> |
|--|--------------------|
| INDEPENDENT AUDITOR’S REPORT TO THE UNITHOLDERS | 1-3 |
| STATEMENT OF FINANCIAL POSITION | 4 |
| STATEMENT OF (LOSS) / COMPREHENSIVE INCOME | 5 |
| STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS | 6 |
| STATEMENT OF CASH FLOWS | 7 |
| NOTES TO THE FINANCIAL STATEMENTS | 8-26 |

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(SAR)

| | <u>Note</u> | <u>31 December 2025</u> | <u>31 December 2024</u> |
|---|-------------|-------------------------|-------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 7 | 1,422,639 | 352,692 |
| Investments carried at FVTPL | 8 | 43,206,816 | 62,980,781 |
| Advances to purchase investments | | - | 3,117,339 |
| Prepaid Expenses | | 2,365 | - |
| Total assets | | 44,631,820 | 66,450,812 |
| LIABILITIES | | | |
| Accrued expenses and other liabilities | | 71,000 | 57,813 |
| Total liabilities | | 71,000 | 57,813 |
| Net assets (equity) attributable to the Unit Holders | | 44,560,820 | 66,392,999 |
| Units in issue (number) | | 3,941,427 | 5,404,346 |
| Unit value (SAR) | | 11.31 | 12.29 |

The accompanying notes 1 to 14 form an integral part of these financial statements.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
STATEMENT OF (LOSS) / COMPREHNSIVE INCOME
For the year ended 31 December 2025
(SAR)

| | <u>Note</u> | <u>For the year ended 31 December 2025</u> | <u>For the year ended 31 December 2024</u> |
|---|-------------|--|--|
| Income | | | |
| Unrealized losses from the investments carried at FVTPL | 8 | (5,331,439) | (820,890) |
| Realized gains from the investments carried at FVTPL | 8 | 105,152 | 9,762,213 |
| Dividends income | 8 | 1,563,916 | 1,369,598 |
| Total (Loss) / income | | (3,662,371) | 10,310,921 |
| Expenses | | | |
| Performance fees | 10 | (1,132,464) | (2,701,091) |
| Other expenses | 9 | (286,423) | (569,107) |
| Total expenses | | (1,418,887) | (3,270,198) |
| (Operating Loss) / Operating Profit | | (5,081,258) | 7,040,723 |
| Other Income | | 6,000 | - |
| Net (Loss) / income for the year | | (5,075,258) | 7,040,723 |
| Other comprehensive income | | - | - |
| Total (comprehensive loss) / comprehensive income for the year | | (5,075,258) | 7,040,723 |

The accompanying notes 1 to 14 form an integral part of these financial statements.

MIYAR SAUDI EQUITY FUND**(Managed by Miyar capital Company)****STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS****For the year ended 31 December 2025****(SAR)**

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|--|--|--|
| Net assets (equity) attributable to the Unit Holders at the beginning of the year | 66,392,999 | 51,767,869 |
| Total (loss) / comprehensive income for the year | (5,075,258) | 7,040,723 |
| Issuance of units during the year | 1,658,671 | 8,598,949 |
| Redemption of units during the year | (18,415,592) | (1,014,542) |
| Net changes from unit transactions | (16,756,921) | 7,584,407 |
| Net assets (equity) attributable to the Unit Holders at the end of the year | 44,560,820 | 66,392,999 |

The following is a summary of unit transactions for the year:

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|--|--|
| The number of units at the beginning of the year | 5,404,346 | 4,787,019 |
| Issuance of units during the year | 136,129 | 700,213 |
| Redemption of units during the year | (1,599,048) | (82,886) |
| Net change in the number of units | (1,462,919) | 617,327 |
| Number of units at the end of the year | 3,941,427 | 5,404,346 |

The accompanying notes 1 to 14 form an integral part of these financial statements.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

| | <u>Note</u> | <u>For the year ended 31 December 2025</u> | <u>For the year ended 31 December 2024</u> |
|---|-------------|--|--|
| Cash flows from operating activities | | | |
| Net (loss) / profit for the year | | (5,075,258) | 7,040,723 |
| Adjustments to settlement net (loss) / profit to net cash generated from / (used in) operating activities: | | | |
| Unrealized losses from the investments carried at FVTPL | 8 | 5,331,439 | 820,890 |
| Realized gains from the investments carried at FVTPL | 8 | (105,152) | (9,762,213) |
| | | <u>151,029</u> | <u>(1,900,600)</u> |
| Net changes in: | | | |
| Addition to investments at FVTPL | 8 | (85,532,025) | (123,723,200) |
| Proceeds from sales of investments at FVTPL | 8 | 100,079,703 | 120,640,988 |
| Advances to purchase investments | | 3,117,339 | (3,117,339) |
| Prepaid Expenses | | (2,365) | - |
| Performance fee payable | | - | (404,925) |
| Accrued expenses and other liabilities | | 13,187 | (999) |
| Net cash flows generated from / (used in) operating activities | | <u>17,826,868</u> | <u>(8,506,075)</u> |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of units | | 1,658,671 | 8,598,949 |
| Payments for redemptions of the units | | (18,415,592) | (1,014,542) |
| Net cash flows (used in) / generated from financing activities | | <u>(16,756,921)</u> | <u>7,584,407</u> |
| Net change in cash and cash equivalents | | 1,069,947 | (921,668) |
| Cash and cash equivalents at beginning of the year | | 352,692 | 1,274,360 |
| Cash and cash equivalents at end of the year | 7 | <u>1,422,639</u> | <u>352,692</u> |

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

1. GENERAL INFORMATION

Miyar Saudi Equity Fund (“the Fund”) is an open-ended stock fund that aims to achieve capital growth in the medium and long term by investing in stock of companies listed on the main Saudi stock market or listed on the parallel Saudi stock market (Nomu). In the shares of initial issues and priority rights listed in the main Saudi stock market or listed in the parallel Saudi stock market (Nomu), exchange-traded funds, real estate traded funds, investment funds in Saudi stocks, money market funds, fixed income funds licensed by the Capital Market Authority, and fixed income instruments compatible with Sharia Committee controls.

The Fund's manager and operator is Miyar capital, and Al Rajhi Capital Company was appointed as the Fund's custodian.

The terms and conditions of the fund were issued on 17 Rabi’ al-Awwal 1444 AH (corresponding to 13 October, 2022G), and on 1 Muharram 1446 AH (corresponding to 7 July 2024G), the fund manager made some amendments to the terms and conditions of the fund.

The fund was approved to be offered on 17 Rabi’ al-Awwal 1444 AH (corresponding to 13, October 2022 G) pursuant to the approval of the Capital Market Authority("CMA"), and the closing of the offering period and the start of its operations were approved on 13, Shawwal 1445 AH (corresponding to 3, May 2023 G).

In dealing with unitholders, the Fund is considered an independent entity. Accordingly, the Fund prepares its financial statements. In addition, unit holders are considered owners of the fund's assets.

The Minister of Finance, pursuant to Ministerial Resolution No. (29791) dated 9 Jumada al-Ula 1444 AH (corresponding to 3, December 2022 G), approved the zakat rules for investment funds approved by the CMA

2. REGULATING AUTHORITY

The Fund is governed by the Investment Funds Regulations (“Regulations”) issued by The Board of the Capital Market Authority which details the requirements for all funds in the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and in compliance with the applicable provisions of the Investment Funds Regulations and the Fund’s Terms and Conditions.

The Fund 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.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

3. BASIS OF PREPARATION (CONTINUED)

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, the going concern concept, and the accrual basis of accounting, except for investments carried at fair value through profit or loss which are carried at their fair value.

3.3 Functional and Presentation Currency

These financial statements are presented in SAR, which represents the Fund's functional currency. All financial information has been rounded to the nearest SAR, unless otherwise stated.

4. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

4.1 use of judgments, estimates, and assumptions

Preparing of financial statements in accordance with the financial reporting standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements complementary to international standards endorsed by the Saudi Organization for Auditors and Accountants requires the use of some important judgments, estimates and assumptions that affect the amounts of assets and liabilities presented and the disclosure of potential assets and liabilities at the date of preparing the financial reports and the proven value of revenues. and expenses during the financial reporting period. Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors. Including forecasts of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions regarding the future. The resulting accounting estimates rarely equal actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Amendments to accounting estimates are recognized in the period in which the estimates are amended.

The key judgments, estimates and assumptions that have an important impact on the Fund's financial statements are described below:

Measuring the fair value of financial instruments

When it is not possible to measure the fair value of financial assets and financial liabilities recorded in the statement of financial position on the basis of prices traded in active markets, their fair value is determined using valuation methods, including the discounted cash flows method. Inputs to these methods are through observable markets where possible. When this is not feasible, a degree of judgment is required to determine fair value. Judgment includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions related to these factors affect the fair value of financial instruments.

4.2 Going Concern

The Fund Manager has conducted an assessment of the Fund's ability to continue operating in accordance with the going concern principle. He is confident that the Fund has sufficient resources to continue its operations in the foreseeable future. Moreover, the Fund's management has no significant doubts that could affect the Fund's ability to continue its activities in accordance with the going concern principle.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

5. NEW AMENDED STANDARDS AND INTERPRETATIONS

5.1 new amendments to standards, enlisted below, are effective from 1 January 2025 but they do not have a material effect on the fund's financial statements.

| Amendments to standard | Description | Effective from accounting period beginning on or after | Summary of amendment | Management Assessment |
|-------------------------------|-------------------------|---|---|--|
| IAS 21 | Lack of Exchangeability | 1 January 2025 | <p>The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.</p> | <p>There is no material impact from the application of these amendments on the Fund's financial statements for the current or future periods, for the following reasons:</p> <p>The Fund's functional currency is the Saudi Riyal (the local market currency).</p> <p>The Fund does not engage in any foreign currency transactions and has no assets or liabilities denominated in currencies other than the Saudi Riyal.</p> <p>Accordingly, due to the absence of foreign currency transactions, the guidance related to "lack of exchangeability" and the associated disclosures on the use of an estimated exchange rate are not relevant to the Fund's current or expected financial operations.</p> |

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

5. NEW AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

5.2 The fund has not applied the following amendments to IFRS that have been issued but are not yet effective:

| Amendments to standard | Description | Effective from accounting period beginning on or after | Summary of amendment | Management Assessment |
|-------------------------------|---|---|--|---|
| IFRS 9 and IFRS 7 | Classification and Measurement of Financial Instruments | 1 January 2026 | <p>These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.</p> <p>They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features.</p> <p>Additionally, these amendments introduce new disclosure requirements and update others.</p> | <p>As the Fund's primary activity is the purchase and sale of Saudi equities traded on the Main Market and the "Nomu" Market, the amendments related to the timing of recognition and derecognition (settlement date) may affect the accounting presentation of its transactions. We will review the Fund's current accounting policies and settlement procedures to ensure compliance with the new requirements.</p> <p>The guidance related to the characteristics of cash flows may result in additional disclosures in the notes to the financial statements.</p> |

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

5. NEW AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

5.2 The fund has not applied the following amendments to IFRS that have been issued but are not yet effective: (Continued)

| Amendments to standard | Description | Effective from accounting period beginning on or after | Summary of amendment | Management Assessment |
|-------------------------------|---|---|---|---|
| IFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 | <p>IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.</p> <p>In addition, operating expenses are presented directly on the face of the statement of profit or loss, classified either by nature (such as employee benefits), by function (such as cost of sales), or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.</p> <p>IFRS 18 also provides guidance on the aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures, and eliminates classification options for interest and dividends in the statement of cash flows.</p> | <p>The main expected impact on the Fund is expected to be transitional in form and presentation, with limited substantive impact on the measurement of values, for the following reasons: all items are already included in the financial statements and will be reclassified to be consistent with the standard.</p> |

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

5. NEW AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

5.2 The fund has not applied the following amendments to IFRS that have been issued but are not yet effective: (Continued)

| Amendments to standard | Description | Effective from accounting period beginning on or after | Summary of amendment | Management Assessment |
|-------------------------------|--|---|---|---|
| IFRS 19 | Subsidiaries without Public Accountability | 1 January 2027 | IFRS 19 permits eligible subsidiaries to present reduced disclosures when applying International Financial Reporting Standards. A subsidiary is considered eligible when the ultimate parent prepares consolidated financial statements for general purpose use in accordance with International Financial Reporting Standards (IFRS). | The Fund has a separate financial position as an independent entity and does not belong to any company. |

Management expects that these new standards, interpretations, and amendments will be applied to the Fund's financial statements when they become applicable. The adoption of these interpretations and amendments may not have a material impact on the fund's financial statements during the initial application period.

6. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES

Financial Assets carried at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss (FVTPL) are presented at market value in the financial statements. Unrealized gains and losses from revaluation of investments, as well as realized gains and losses resulting from the disposal of investments, are in the statement of (loss) / comprehensive income.

Investment Transactions

Investment transactions are recorded on the trade date.

Cash at Banks

Cash at banks includes highly liquid time deposits with a maturity of three months or less from the acquisition date.

Net assets value

The net assets value of each unit as disclosed in the statement of financial position is calculated by dividing the Fund's net assets by the number of units issued at the end of the period.

6. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Related Parties

A related party is a person or entity that has a relationship with the Fund. A person is considered a related party if they have control or significant influence over the Fund or if they are a member of the key management. An entity is considered a related party if it is a member of the same group, such as a parent company, subsidiary, associate, or is linked through a joint venture, or if both entities are joint ventures of a third party.

A related party transaction is the transfer of resources, services, or obligations between the Fund and a related party, regardless of whether a price is charged. Key management personnel are those individuals who are authorized and responsible for planning, directing, and controlling the Fund's operations, either directly or indirectly, including the manager.

Financial Instruments

Financial assets and liabilities are recognized when the Fund becomes a party to the contractual terms of these instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities other than those classified as fair value through profit or loss are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and liabilities measured at fair value through profit or loss are recognized directly in the statement of (loss) /comprehensive income.

First: Financial Assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at initial recognition. All sales and purchases of financial assets are recognized by normal methods on the basis of the date of trading. Regular way purchases or sales are purchases or sales of financial assets that require the delivery of assets within the time frame specified by regulations or custom in the market.

A- Financial assets determined at fair value through profit or loss

Financial assets identified at fair value are classified by profit or loss when they are acquired for the purpose of trading or selected to be classified as such.

Financial assets are classified for the purpose of trading if:

- They are acquired primarily for the purpose of selling them in the near future.
- Represents part of a portfolio of known financial instruments managed by the Fund and includes an actual pattern of financial instrument that achieves short-term profits.
- Represents a financial derivative but is not classified or effective as a hedging instrument.

Financial assets designated at fair value through profit or loss are shown at their fair value, with any gains or losses arising from revaluation recognized in profit or loss. The net gain or loss includes any dividends or interest earned from the financial asset and is included in the statement of (loss) / comprehensive income.

6. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

First: Financial Assets (continued)

B- financial assets identified at fair value through the statement of other comprehensive income

A debt instrument is measured at fair value by other comprehensive income if it meets both of the following conditions and is not allocated at fair value through profit or loss:

- The asset is held within a business model aimed at collecting cash flows and selling financial assets, and
- The contractual terms of the financial asset arise, on specified dates, cash flows representing only payments of the principal amount and commission on the outstanding principal amount.
- Debt instruments measured at fair value through other comprehensive income (FVTOCI) are subsequently measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. commission income and foreign exchange gains or losses are recognized in the statement of (loss) /comprehensive income.

C. Financial assets acquired at amortized cost

Financial assets are measured at amortized cost if they meet both of the following conditions and are not allocated at fair value through profit or loss:

- The asset is held within a business model whose purpose is to hold financial assets for the collection of cash flows, and
- The contractual terms of the financial asset arise, on specified dates, cash flows representing only payments of the principal amount and commission on the outstanding principal amount.

Second: Equity Instruments

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

The Fund subsequently measures all equity investments at fair value through profit or loss, except in cases where the Fund's management has, at initial recognition, irrevocably elected to designate an equity investment at fair value through other comprehensive income (FVTOCI).

The Fund's policy is to classify equity investments as measured at fair value through other comprehensive income (FVTOCI) when these investments are held for purposes other than generating investment returns. When using this option, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, including at disposal. Impairment losses (and reversals of impairment losses) are not reported separately from other changes in fair value. Dividends continue to be recognized, when they represent a return on these investments, in the income statement as "dividend income" when the Fund's right to receive the payments is established.

Third: Derecognition

The Fund derecognizes financial assets (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) when the contractual rights to receive cash flows from the financial assets expire, or when it transfers the rights to receive the contractual cash flows in a transaction that substantially transfers all the risks and rewards of ownership of the financial assets, or in a transaction where the Fund neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the financial assets.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

6. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

Third: Derecognition (continued)

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the part of the asset that is derecognized) and the sum of:

- 1) The consideration received (including any new asset obtained less any new liability assumed), and
- 2) Any accumulated profit or loss that has been recognized within other comprehensive income, is recognized in profit or loss.

Transactions in which the Fund transfers assets recognized on its statement of financial position but retains either all or most of the risks and rewards of the transferred assets, or a portion thereof, are not derecognized. The transfer of assets while retaining all or most of the risks and rewards includes sale and repurchase transactions.

For transactions where the Fund neither retains nor transfers substantially all the risks and rewards of ownership of financial assets and retains control over the assets, the Fund continues to recognize the assets to the extent of its continuing involvement, which is determined by the extent of its exposure to changes in the value of the transferred assets.

The Fund derecognizes a financial liability upon settlement, cancellation, or expiration of the contractual obligations.

Revenue Recognition

- Dividend Income

Dividend income is recognized in the statement of profit or loss on the date when the right to receive dividend payments is established. It is probable that economic benefits associated with the dividends will flow to the Fund, and the amount of the dividends can be reliably measured. For listed equity bonds this is usually the date of the previous dividend. For unlisted equity bonds this is usually the date on which shareholders agree to pay dividends. Dividend income from securities measured at fair value through profit or loss is recognized as a separate item in the profit or loss statement.

- Net profit from investments at fair value through profit or loss

Net profit from investments at fair value through profit or loss includes all changes in realized and unrealized fair value and foreign exchange differences (if any), but excludes interest and dividend income. Net realized gains from investments measured at fair value through profit or loss are calculated using the weighted average cost method.

Payables and accruals

Liabilities are recognized for amounts to be paid in the future for services received, whether or not invoiced by suppliers.

Zakat and Income Tax

On 9 Jumada Al-Awwal 1444H (corresponding to December 3, 2022G), Minister of Finance Resolution No. 29791 was issued regarding the rules for collecting Zakat from investors in investment funds. This decision resulted in the following:

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

6. M SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Zakat and Income Tax (continued)

- 1) Oblige funds to register with the Zakat, Tax and Customs Authority for the purpose of Zakat.
- 2) Oblige funds to maintain statutory accounts according to audited financial statements.
- 3) Oblige funds to submit information declarations to the Authority.
- 4) Funds are not obligated to pay Zakat, but the obligated are the shareholders (unitholders).
- 5) The investor in the fund should recommend his share in the fund until it is deducted as an investment in their Zakat declaration.
- 6) This decision applies to fiscal years beginning on or after 1/1/2023G.

Accordingly, Zakat and income tax are the responsibility of the unitholders, and therefore no provision is made for them in these accompanying financial statements.

Performance Fees and Other Expenses

Performance fees and other expenses are recognized at rates within the limits specified in the Fund's Terms and Conditions, on an accrual basis.

Redemption of units

Units issued are recorded at the offering price determined by the Fund Manager for orders received during business hours, based on the closing of the previous day in which the orders were received. The offering price represents the net asset value per unit as of the previous day's closing, plus an allowable sales margin and a provision for transaction costs and any provision for incurred expenses and fees, if applicable.

Redeemed units are recorded at the redemption price applicable to the units based on the closing of the previous day. The redemption price represents the net asset value per unit as of the closing of the previous day in which the orders were received, minus any Redeemed expenses, fees, taxes, redemption charges, and any provision for transaction costs, if applicable.

Fund Unit Holders

The Fund classifies unitholders, representing the units issued by the Fund, at the redemption amount, which represents the investors' right to the residual interest in the Fund's assets.

Foreign Currency Transactions

Foreign currency transactions are translated into Saudi Riyals at the exchange rates prevailing when making the transaction. The monetary assets and liabilities in foreign currencies are transferred to Saudi Riyals at the prevailing rates at the end of the year as of the date of the statement of financial position. The gains and losses resulting from repayments or the conversion of foreign currencies are included in the statement of profit or loss.

Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position only when the Fund has a legally enforceable right to offset the recognized amounts and intends to either settle on a net basis or realize the assets and settle the liabilities simultaneously.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

7. CASH AND CASH EQUIVALENTS

| | 31 December 2025 | 31 December 2024 |
|---------------------|-------------------------|------------------|
| | SAR | SAR |
| Cash at banks | 104,170 | 150,924 |
| Cash with Custodian | 1,318,469 | 201,768 |
| | 1,422,639 | 352,692 |

The Fund holds cash in the investment account with Al Rajhi Capital Company (the custodian of the fund). The Fund does not earn profits on these investment accounts.

8. INVESTMENTS CARRIED AT FVTPL

a. Investments at FVTPL represent equity of companies listed on the main Saudi equity market and equity of companies listed on the parallel Saudi market (Nomu). The movement of these investments as at the preparing date of the financial statements is as follows:

| | 31 December 2025 | 31 December 2024 |
|---|-------------------------|------------------|
| | SAR | SAR |
| Balance at the beginning of the year | 62,980,781 | 50,957,246 |
| Additions to financial investments at fair value during the year | 85,532,025 | 123,723,200 |
| Sales of investments at FVTPL during the year | (100,079,703) | (120,640,988) |
| Realized gains from the investments carried at FVTPL | 105,152 | 9,762,213 |
| Unrealized losses from investments carried at FVTPL during the year | (5,331,439) | (820,890) |
| Balance at the end of the year | 43,206,816 | 62,980,781 |

b. The following is a summary of the components of investments measured at fair value through profit or loss as at the date of the statement of financial position by sector:

| Equity Investments (By Sector) | 31 December 2025 | |
|---|-------------------------|-------------------|
| | Carrying value | Fair value |
| Materials | 7,972,878 | 7,421,323 |
| banks | 3,199,223 | 3,225,203 |
| Financial services | 4,875,249 | 3,457,974 |
| Insurance | 2,216,132 | 1,204,610 |
| Transportation | 3,799,292 | 3,047,327 |
| Applications and technology services | 1,039,288 | 853,579 |
| Energy | 5,940,085 | 6,731,720 |
| Capital Goods | 1,799,133 | 2,950,448 |
| Utilities | 5,063,324 | 3,161,502 |
| Communications | 2,487,286 | 2,560,362 |
| Real estate management and development | 528,472 | 378,990 |
| Real estate traded funds (REITs) | 777,249 | 691,620 |
| Retailing and distribution of consumer goods | 2,801,600 | 1,783,136 |
| Consumer Services | 3,230,507 | 3,182,902 |
| Healthcare | 2,808,538 | 2,556,120 |
| | 48,538,256 | 43,206,816 |

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

8. INVESTMENTS CARRIED AT FVTPL (CONTINUED)

| Equity Investments (By Sector) | 31 December 2024 | |
|--|-------------------|-------------------|
| | Carrying Value | Fair value |
| Materials | 15,956,845 | 14,790,703 |
| banks | 6,879,422 | 7,295,149 |
| Financial services | 6,188,333 | 6,878,112 |
| Insurance | 5,985,547 | 6,149,792 |
| Transportation | 3,702,533 | 4,495,017 |
| Applications and technology services | 3,733,440 | 3,581,550 |
| Energy | 3,774,137 | 3,022,654 |
| Capital Goods | 2,165,365 | 2,944,648 |
| Utilities | 3,017,402 | 2,641,212 |
| Communications | 2,353,348 | 2,200,000 |
| Real estate management and development | 2,452,007 | 2,056,000 |
| Real estate traded funds (REITs) | 986,945 | 777,249 |
| Retailing and distribution of consumer goods | 2,491,388 | 2,303,888 |
| Commercial and professional services | 4,114,960 | 3,844,807 |
| | <u>63,801,672</u> | <u>62,980,781</u> |

C- During the year, the Fund sold investments measured at fair value with a net carrying amount of SAR 99,974,551 for proceeds of SAR 100,079,703, resulting in realized gains of SAR 105,152.

D- During the year, the Fund earned dividend income from investments measured at fair value through profit or loss amounting to SAR 1,563,916 which was fully received during the year.

9. OTHER EXPENSES

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|-------------------------------------|--|--|
| Professional and consultancy fees * | 45,000 | 45,000 |
| Value-added tax | 169,870 | 401,564 |
| Board of Directors' fees | 12,000 | 24,000 |
| Shariah fees | 11,500 | 6,500 |
| Other expenses | 48,053 | 92,043 |
| | <u>286,423</u> | <u>569,107</u> |

The professional and consultancy fees include the auditors' fees for the audit and preliminary review of the Fund's financial statements for the year ended 31 December 2025, amounting to SAR 45,000 (31 December 2024: SAR 45,000).

10. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties consist of the Fund Manager, the Board of Directors and key management personnel of the Fund. Related parties also include certain business entities in which the fund manager or key management has an interest.

In the ordinary course of its activities, the Fund transacts business with related parties. The related parties' transactions are according to terms and conditions of the fund. All related parties' transactions are approved by the Fund's Board of Directors.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

10. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

A- The following are the key transactions with related parties conducted by the Fund during the year and the resulting balances:

| Related parties | Nature of Relationship | Transaction amount | | Balance debit /(credit) | |
|-----------------|------------------------|-------------------------------------|-------------------------------------|-------------------------|------------------------|
| | | For the year ended 31 December 2025 | For the year ended 31 December 2024 | As at 31 December 2025 | As at 31 December 2024 |
| Miyar capital | Performance fees | (1,132,464) | (2,701,091) | - | - |
| Board members | Remuneration | (12,000) | (24,000) | (12,000) | (18,000) |

- **Performance fees:** The fund manager has an original maturity of a good performance fees amounting to 20% of the value of the fund's net asset profits (after deducting all fund fees), calculated daily and deducted quarterly. Performance fees are not calculated if the unit price does not rise above the fund's basis point, which is the highest unit price of the fund during the year.
- **Board members remuneration:** Each independent board member receives a remuneration of SAR 3,000 for each meeting, with a maximum of SAR 12,000 annually for each member.

11. RISKS MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE

Risk management is an integral part of the investment and operation process. Risk management can be divided into financial risk management, operational risk management and independent risk measurement. Financial risk management includes all elements of the investment process. A number of risk management systems allow the fund manager to note any deviations from the targets and target positions. Operational risk management includes the four points of potential loss: processes, systems, people and external events. Risk management is an independent function and is functionally standalone from operations management and portfolio management.

The Risk Management Department is primarily responsible for identifying and monitoring risks. The Fund's Board of Directors supervises the Fund Manager and is ultimately responsible for managing the Fund's overall risks.

The Fund is exposed to the following risks as a result of its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks
- Operational risks

Risk management framework

The Fund maintains positions in non-derivative financial instruments in accordance with its investment management strategy. The fund's investment portfolio consists of equity listed in the Saudi market.

The Fund is given the discretion to manage assets in line with the Fund's investment objectives. The Fund Manager monitors compliance with target asset allocations and portfolio composition on a daily basis. In cases where the portfolio differs from the target asset distributions, the fund manager is obligated to take measures to rebalance the portfolio in line with the specified objectives and within the established time limits.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

11. RISKS MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss by failing to discharge an obligation or undertakings with the Fund.

The Fund is exposed to credit risk on its balance held in the trading account, its balance with the custodian and other assets. For the purposes of preparing risk management reports, the Fund studies and aggregates all elements of credit risk exposure, such as the debtor's individual default risk and sector risks.

The Fund's policy on credit risk is to reduce its exposure to "counterparty" risks with a higher risk of default by dealing with counterparties that meet specified credit criteria.

Credit risk is regularly monitored by the Fund Manager to ensure that it is consistent with the Fund's investment guidelines.

The Fund's activities may create settlement risks. "Settlement risk" is the risk of loss due to an entity failing to meet its obligations to provide cash when both parties have fulfilled their contractual settlement obligations.

The following table shows the maximum credit risk exposure for the components of the statement of financial position:

| | <u>31 December 2025</u> SAR | <u>31 December 2024</u> SAR |
|---------------------------|--------------------------------|--------------------------------|
| Cash and cash equivalents | <u>1,422,639</u> | <u>352,692</u> |

The Fund does not have any formal internal classification mechanism. Credit risk is managed and controlled by monitoring credit risks, setting limits on dealing with specific third parties, and continuous assessment of the credit capacity of other parties. Credit risk is generally managed on the basis of third-party external credit ratings.

Impairment Provision

The Fund has equity investments only classified as at FVTPL; therefore, no impairment provision has been recorded in these financial statements in accordance with IFRS 9. The Fund's cash and cash equivalents are placed primarily with third parties with a good credit rating. The credit risk associated with financial instruments is not material.

Liquidity Risk

Liquidity risk is the risk that the Fund will may not be able to settle its obligations associated with its financial liabilities that are settled by cash payment of other financial assets.

The Fund Manager aims to ensure that it always has sufficient liquidity as much as possible to meet liabilities as when they mature, under both normal and critical circumstances, including the estimated redemption of units, without incurring unacceptable losses or endangers the Fund's reputation.

The terms and conditions stipulate subscriptions and redemptions of units twice a week and therefore it is exposed to liquidity risk to meet unit holders' redemption requests at any time.

The Fund Manager monitors liquidity requirements on a periodic basis and seeks to ensure that sufficient funding is available to settle any obligations that may arise.

The Fund's investments in listed securities are considered to be readily realizable as they are actively traded in the GCC stock markets and the Saudi stock market.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

11. RISKS MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

Liquidity Risk (continued)

The Fund manages its liquidity risk by investing primarily in securities that are expected to be liquidated within a short duration.

The following is the contractual maturity profile of the Fund's financial assets and financial liabilities:

| 31 December 2025 | Within 3 months | 3 – 12 months | More than one year | No Fixed maturity | Total |
|--|----------------------------|----------------------|-------------------------------|------------------------------|-------------------|
| Cash and cash equivalents | - | - | - | 1,422,639 | 1,422,639 |
| Investments at FVTPL | - | - | - | 43,206,816 | 43,206,816 |
| Prepaid expenses | 2,365 | - | - | - | 2,365 |
| Total financial assets | 2,365 | - | - | 44,629,455 | 44,631,820 |
| Accrued expenses and other liabilities | (71,000) | - | - | - | (71,000) |
| Total financial liabilities | (71,000) | - | - | - | (71,000) |
| Net financial position | (68,635) | - | - | 44,629,455 | 44,560,820 |
| 31 December 2024 | Within 3 months | 3 – 12 months | More than one year | No Fixed maturity | Total |
| Cash and cash equivalents | - | - | - | 352,692 | 352,692 |
| Investments at FVTPL | - | - | - | 62,980,781 | 62,980,781 |
| Payments on account of investment | - | - | - | 3,117,339 | 3,117,339 |
| Total financial assets | - | - | - | 66,450,812 | 66,450,812 |
| Accrued expenses and other liabilities | (57,813) | - | - | - | (57,813) |
| Total financial liabilities | (57,813) | - | - | - | (57,813) |
| Net financial position | (57,813) | - | - | 66,450,812 | 66,392,999 |

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

11. RISKS MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as commission rates, foreign exchange rates and equity prices, will impact the Fund's income or the fair value of its unitholders in financial instruments

The fund's strategy for managing market risk is derived from its investment objectives as outlined in the fund's terms and conditions. Market risks are regularly managed by the Fund Manager in accordance with specified policies and procedures. The fund manager regularly monitors the fund's market positions.

Currency risk

Currency risk is the risk resulting from the fluctuation of the value of financial instruments as a result of changes in foreign exchange rates.

The Fund does not have any foreign currency exchange risks as most transactions are carried out in Saudi Riyals.

Equity price risk

Price risk is the risk of fluctuations in the value of the Fund's financial instruments as a result of changes in market prices due to factors other than movements in foreign exchange rates and commissions.

Price risk arises primarily from uncertainty regarding the future prices of the financial instruments held by the Fund. The Fund has investments in equity instruments classified as measured at fair value through profit or loss. The Fund Manager closely monitors the price movements of its financial instruments listed on the Saudi Exchange. The Fund manages this risk by diversifying its investment portfolio through investments in various business sectors.

Commission rate risks

Commission rate risk arises from the possibility that changes in commission rates will affect the fair values or future cash flows of financial instruments. The Fund Manager monitors positions daily to ensure they are maintained within the specified gap limits, if any. The Fund has no commission-bearing financial assets or liabilities. Therefore, the Fund is not exposed to commission rate risks.

The impact on equity (as a result of changes in the fair value of investments as at 31 December 2025 and 31 December 2024) due to a reasonably possible **1%** change in equity indices, with all other variables remaining constant, is as follows:

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

11. RISKS MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

Market risk (continued)

| | 31 December 2025 | | 31 December 2024 | |
|--|---|------------------|---|------------------|
| | Reasonably possible percentage change (%) | Impact on equity | Reasonably possible percentage change (%) | Impact on equity |
| Materials | %1-/+ | 74,213 | %1-/+ | 147,907 |
| banks | %1-/+ | 32,252 | %1-/+ | 72,951 |
| Financial services | %1-/+ | 34,580 | %1-/+ | 68,781 |
| Insurance | %1-/+ | 12,046 | %1-/+ | 61,498 |
| Transportation | %1-/+ | 30,473 | %1-/+ | 44,950 |
| Applications and technology services | %1-/+ | 8,536 | %1-/+ | 35,816 |
| Energy | %1-/+ | 67,317 | %1-/+ | 30,227 |
| Capital Goods | %1-/+ | 29,504 | %1-/+ | 29,446 |
| Utilities | %1-/+ | 31,615 | %1-/+ | 26,412 |
| Communications | %1-/+ | 25,604 | %1-/+ | 22,000 |
| Real estate management and development | %1-/+ | 3,790 | %1-/+ | 20,560 |
| Real estate traded funds REITs | %1-/+ | 6,916 | %1-/+ | 38,448 |
| Retailing and distribution of consumer goods | %1-/+ | 17,831 | %1-/+ | - |
| Consumer Services | %1-/+ | 31,829 | %1-/+ | - |
| Healthcare | %1-/+ | 25,561 | %1-/+ | - |
| Retailing and distribution of consumer goods | %1-/+ | - | %1-/+ | 23,039 |
| Commercial and professional services | %1-/+ | - | %1-/+ | 38,448 |

Operational risk

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

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

The key responsibility for preparing and implementing operational risk controls rests with the risk management team. This responsibility is supported by establishing general operational risk management standards that include controls and procedures at service providers and establishing service levels with Service providers in the following areas:

11. RISKS MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

Operational risk (continued)

- Documenting controls and supervisory procedures;
- Requirements for:
 - Appropriate segregation of duties between different functions, roles and responsibilities;
 - Transaction settlement and monitoring; And
 - Periodic assessment of the operational risks faced.
- Adequacy of controls and supervisory procedures to address identified risks; Compliance with regulatory requirements and other legal requirements;
- Develop emergency plans;
- Training and professional development;
- Ethical and business standards; And
- Reducing risks, including insurance if feasible

Fair Value of Financial Instruments

The Fund measures certain financial instruments at fair value at the date of each statement of financial position.

Fair value is the value that will be received for the sale of an asset or paid for the transfer of an obligation under a regular transaction between participants in the market by measurement date. The measurement of fair value is determined by assuming that the transaction of the sale of the asset or the transfer of the obligation will take place either:

- in the main market of the asset or liability,
- in the best market suitable for the asset or commitment in the absence of a major market.

Evaluation Forms

The fair value of financial instruments traded in a point market is based on prices obtained directly from prices at which the instruments are traded or obtained through an intermediary who provides unadjusted quoted prices from an active market for similar instruments.

For financial instruments that are rarely traded and have little price transparency, fair value is less objective and requires varying degrees of judgment based on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting a particular instrument.

The Fund measures fair values using the fair value hierarchy below, which reflects the significance of the inputs used in making the measurement:

Level 1: Listed (unadjusted) entries in active markets for similar instruments.

Level 2: Inputs other than quoted prices included in Level 1 that can be observed directly (prices) or indirectly (derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered to be at a lower point, or other valuation methods for which all significant inputs are directly or indirectly observable from market data.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025
(SAR)

11. RISKS MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

Evaluation Forms (continued)

Level 3: Unobservable inputs This category includes all instruments with valuation methods that include inputs that are not based on observable data, and the unobservable inputs have a significant impact on the valuation of the instrument. This category includes instruments valued based on quoted prices for similar instruments that require significant unobservable adjustments or assumptions to reflect differences between the instruments.

The Fund values equity bonds that are traded in a financial market at their most recently recorded prices. To the extent that equity bonds are actively traded and valuation adjustments do not apply, they are classified as Level 1 of the fair value hierarchy; Therefore, the Fund's assets recorded at fair value were classified based on Level 1 of the fair value hierarchy.

Fair Value Hierarchy - Financial Instruments Measured at Fair Value

The following table analyzes financial instruments measured at fair value at the reporting date by level in the fair value hierarchy in which the fair value measurement is classified. Amounts are based on values recognized in the statement of financial position. All of the following fair value measurements are iterative.

| 31 December 2025 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|-------------------|----------------|----------------|-------------------|
| Investments at FVTPL | 43,206,816 | - | - | 43,206,816 |
| 31 December 2024 | Level 1 | Level 2 | Level 3 | Total |
| Investments at FVTPL | 62,980,781 | - | - | 62,980,781 |

During the year / period no transfers was made in the fair value hierarchy.

12. LAST VALUATION DAY

The Fund's units are evaluated and the net asset value is calculated at the end of each business day (valuation day). The last day of evaluation is 31, December 2025 (2024: 31, December 2024).

13. SUBSEQUENT EVENTS

The Fund's management believes that there are no significant subsequent events after the date of the financial statements and before the issuance of these statements that require amendment or disclosure.

14. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Fund's Board on 25 March 2026 (corresponding to 7 Shawwal H)