

Statement from the Chairperson

A Regional Powerhouse with Global Ambition

In 2023, Saudi Tadawul Group made significant progress towards its goal of becoming a driving force behind Saudi Arabia's development as a global financial hub. The Group expanded its reach by strengthening and diversifying its core regional market activities and serving as a central access point to capital flows, asserting its status as a key investment destination linking the East to the various global markets.

Saudi Tadawul Group plays a pivotal role in advancing the objectives of the Financial Sector Development Program (FSDP), which is instrumental in the development and enhancement of the capital market. This initiative is aligned with the overarching objectives of ambitious the Kingdom's ambitious Vision 2030, working towards a comprehensive transformation and growth of the financial sector to drive the nation's economic progress.

This year, our strategic and competitive value proposition gained momentum, supported by our scale, growth trajectory, and position at the heart of the Kingdom's large-scale economic diversification agenda. Despite the global headwinds for capital markets, Saudi Tadawul Group demonstrated growth and witnessed a large number of initial public offerings (IPO) from a regional and global perspective.

In the second year following our IPO, the Group has consistently added value to all Stakeholders. As a result, the Board of Directors recommended to distribute cash dividends of SAR 2.30 per share to shareholders for the fiscal year 2023, totaling SAR 276.0 million.

 **SAR 2.30** per share
2023 Declared Dividends

 **SAR 276.0** million
2023 Total Declared Dividends

Growth Strategy Aligned with Ambitions

Saudi Tadawul Group aims to create one of the world's most comprehensive and supportive financial ecosystems. Our primary objectives are to increase market liquidity, nurture the development of small and medium-sized enterprises (SMEs), and spearhead Saudi Arabia's evolution into a leading global financial hub. The Group's continues its presence in diversifying the revenue streams and maximizing the shareholders' value. Moreover, the Group commitment in implementing its strategy to position the Kingdom as a pivotal platform for commodities trading. Through these initiatives, we aim to transform the financial landscape and contribute meaningfully to sustainable development and global economic prosperity.

To achieve this ambitious goal, during the year the Board approved a comprehensive strategy that the Group will execute over the next five years. The strategy is designed to enhance the growth trajectory of our existing businesses, capitalizing on the economic transformation of Saudi Arabia and the inherent potential for market expansion. This approach is anchored by seven strategic growth pillars that will position the Group as a global frontrunner. Our aim is to achieve unprecedented growth and broaden the Group's geographical presence.

The strategic pillars include facilitating both equity and debt capital formation, and serving as a global financial hub for debt, commodities, derivatives, and global security services. The strategy also aims to unlock the potential of emerging technologies and foster the development and safeguarding of the Group's unique intellectual property.

Our strategic pillars are underpinned by three key growth enablers, which are integrated across our business operations. We are embracing cutting-

edge innovations to refine our operational effectiveness and elevate the client journey and providing top-tier services to attract a broader clientele, both regionally and internationally. Furthermore, the Group is actively pursuing strategic investments and acquisitions to diversify its products and offerings.

Strategic Progress in 2023

The attractiveness of the Saudi capital market continued to grow in 2023, reinforced by our expanding range of products and services, and a healthy pipeline of companies seeking to list.

We continued to strengthen the market sophisticated infrastructure for domestic and international investors. The acquisition of a 51% stake in "Direct Financial Network Company" marked a strategic step toward the improvement in the Group's technological and innovative capabilities, representing the Group's first completed acquisition which demonstrate its growth and diversification strategy.

Through its subsidiaries, the Group introduced important enhancements for members and prospective issuers. We launched four new indices on the Saudi Exchange, offering investors enhanced benchmarking opportunities. Furthermore, the Single Stock Options (SSO) was launched, in addition to welcoming several market makers, including the first for the equities and derivatives markets, further consolidating its position as the investment destination of choice within the region.

In line with our global ambitions, we continued to pursue opportunities to collaborate with international exchanges to foster knowledge sharing and dual listings. The Group formalized Memoranda of Understanding (MoU) with global stock exchanges in Singapore, Hong Kong, Shanghai, Shenzhen, Egypt, Qatar, and Amman. These agreements encompass a broad spectrum of collaborative areas including dual listings,

sustainability, FinTech, diversity, and inclusion. Additionally, our depository center EDAA, one of the Group's subsidiaries, signed an MoU with the Central Securities Depository of Turkey to facilitate technology and knowledge sharing.

Sustainability at Saudi Tadawul Group

In 2023, we made steady progress towards enhancing the Group's performance in sustainability. We remained steadfast in our commitment to aligning with international best practices and to generate a unique value proposition for our Stakeholders.

The Group continues to ensure its commitment in achieving the objectives of the sustainability strategy, which is aligned with the sustainability objectives of the Kingdom's ambitious Vision 2030, as well as global standards. Based on international best practices, it provides clear guidelines and objectives for the Group's positive impact on its people, partners, environment and society.

The Group continued to strengthen the domestic sustainability practices through an MoU that has been signed with the Saudi Capital Market Authority and the Ministry of Economic Planning to advance the Environmental, Social and Governance industry practices across the Kingdom and promote sustainability awareness among investors.

Looking Ahead

In 2024, Saudi Tadawul Group is poised to enhance its strategic focus and momentum to create sustainable value for all our Stakeholders. Aligned with a unified vision, the Group's dedicated leadership and team members are committed to advancing the strategic goals, optimizing efficiencies, establishing new partnerships, and capitalizing on growth opportunities in a rapidly evolving market landscape. Through these diverse initiatives, the Group aim to maximize shareholder value while reinforcing its

industry leadership, surpassing market expectations and driving sustainable achievements.

Finally, I would like to express my sincerest gratitude to The Custodian of The Two Holy Mosques, King Salman bin Abdulaziz Al-Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al-Saud, Crown Prince and Prime Minister, for their continuous inspiration and belief in the path to success, contributing to the realization of the Kingdom's ambitious Vision 2030's objectives.

I would also like to extend my appreciation to our Board of Directors for their efforts towards navigating a successful year, full of growth and opportunities. I also commend our executive management team and team members of the Group and its subsidiaries for their exceptional performance and innovative efforts, which have been instrumental in driving the Group's growth and value creation. Lastly, my appreciation goes to our shareholders, issuers, investors, brokers, custodians, and service providers. Their support and partnership are foundational to our current and future success.

Mrs. Sarah Al-Suhaimi
Chairperson

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