

Strategic Aspiration with Ambitious Vision

The Saudi Tadawul Group's strategy is designed to achieve the ambitious objective of positioning Saudi Arabia among the top global stock markets by driving sustainable growth, engagement and value creation. Through its seven strategic pillars, it aims to improve market liquidity, support SMEs, and position Saudi Arabia as a leading center and a pivotal platform for commodities trading and sustainability commitments.

The strategic pillars are underpinned by three key enablers, all directed towards achieving operational efficiency across the Group.

In line with its refreshed strategy, which was approved in the first quarter of 2023, the Group delivered a range of significant achievements that continued its strategic journey and reinforced its proven commitment to sustainable growth and value creation. The Group is continuing to deliver its strategy throughout the coming years and transitioning from regional focus to global leadership. These achievements not only validate its strategic direction, but also pave the way for continued success.

As the Group moves forward, its focus remains steadfast on executing its ambitious strategy, with the overarching goal of transitioning the Group from a regional player to a global leader. This journey is a testament to its unwavering dedication and determination to excel in an ever-evolving market landscape.

This transition necessitates a holistic approach, encompassing every facet of its operations. It involves expanding the Group's market presence, forging strategic partnerships, enhancing its

product offerings, and cultivating a culture of innovation and excellence. Moreover, it requires the Group to leverage its strengths while remaining agile and responsive to emerging opportunities.

The Group's journey towards global leadership is marked by collaboration and a relentless pursuit of excellence. It demands resilience in the face of challenges and a willingness to embrace change. Yet, it is also filled with promised opportunity; it holds the potential to redefine its industry and propel the Group to new heights of success.

As the Group embarks on this journey, it does so with confidence, knowing that it has the vision, talent, and determination to realize its aspirations. Together, it will continue to push boundaries, challenge the status quo, and chart a course towards a future where the Group stands as a beacon of innovation and leadership on the global stage.



Strategic Objectives

The Group's transformation is an important step in the ongoing development of the Saudi capital market. Saudi Tadawul Group is crucial to driving the growth of the market and creating a resilient and robust environment for all Stakeholders. Some of our strategic objectives include:



Enhancing competitiveness and aligning with international best practice



Introducing best-in-class services for the benefit of all market participants



Developing the Saudi capital market, its infrastructure, and member offerings



Creating an agile environment that can respond to evolving global and local market trends



Diversifying investment opportunities across the Kingdom and beyond



Strategic Aspiration with Ambitious Vision (continued)

Aspiration

Strategic Goals

Growth and Diversification

Integrated and Connected

Strategic Pillars

1

Equity and capital formation

- Facilitate listings and issuer services to domestic and international issuers
- Enhance market liquidity
- Nurture SMEs by facilitating capital markets access

2

Global debt hub

- The venue of choice for domestic issuers
- A global Sukuk/ Islamic finance center
- Attract international financial institution issuers

3

Global commodities

- A global source of MENA commodities valuation
- Globally relevant venue for commodities trading
- Globally relevant venue in sustainability communication and carbon markets

2023 Achievements

- Saudi Exchange received an award for its outstanding efforts in nurturing the growth of SMEs as part of Tomoh program
- SAR 18.1 billion in total raised market capital, comprising SAR 12.8 billion raised through the IPOs and SAR 5.3 billion raised through tradable rights and REITs acquisitions
- Implemented a bundle of market enhancements in the debt market, such as mid-point and RFQ for negotiated deals and enhancing the availability of debt market data through the release of the first Debt Market Quarterly Report

Strategic Enablers

Next generation technologies

- Enhance operational efficiency and customer experience through best-in-class technological connectivity and infrastructure
- Invest in emerging technologies and incubate select use cases to capture "white space" business opportunities

Customer-centric selling

- Widen client base to regional and global participants (e.g. members, investors, issuers, and service users)

“ We have big aims to get Saudi Arabia among the top three largest stock markets on the planet, fostering the development of a diverse Saudi capital market, and a bridge between global investors and regional economies.

Capable and Agile

4 Derivatives and OTC	5 Global securities services	6 Data and analytics offering	7 Global unique IP
<ul style="list-style-type: none"> • MENA's leading listed derivatives market • Capture domestic over-the-counter (OTC) derivatives flows • MENA's service provider of choice for OTC clearing 	<ul style="list-style-type: none"> • Internationalize business • Expand domestic post-trade offerings • A global custodian of choice for geographically relevant investors 	<ul style="list-style-type: none"> • MENA's data hub for local and global market participants • Unlock the full potential of information, data and analytics 	<ul style="list-style-type: none"> • MENA's leading and globally relevant index brand • Develop and acquire unique IP to solidify leadership across MENA
<ul style="list-style-type: none"> • Saudi Exchange launched Single Stock Options (SSO) contracts, the third derivatives market product 	<ul style="list-style-type: none"> • Edaa launched the 2nd edition of the Association of Global Custodians' questionnaire, reinforcing its commitment to promoting transparency and encouraging foreign investors to invest in the Saudi capital market 	<ul style="list-style-type: none"> • WAMID completed the 51% stake acquisition in DirectFN, which will enable it to expand its geographic reach and diversify non-trading revenue streams 	

M&A capabilities

- Achieve high customer satisfaction with best-in-class services (e.g. commodities specialized team)
- Invest in or acquire relevant businesses to enable the delivery of strategy pillars 1 to 7
- Support the Group's publicly stated financial objectives on the revenue growth and EBITDA margin