



Strategic Review

- 21 Statement from the Chairperson
- 23 Statement from the Group Chief Executive Officer
- 25 Business Model
- 27 Strategic Aspiration with Ambitious Vision
- 29 The Saudi's Ambitious Vision 2030
- 31 SCMF - Case Study
- 35 Financial Review
- 39 Enterprise Risk Management
- 45 Stakeholder Engagement



The Group strives to lead in global capital markets through a strategy focused on achieving sustainable growth, stakeholder focus, and achieving operational excellence. These objectives are achieved via strategic expansion, effective partnerships, product innovation, and promoting a culture of excellence throughout the Group's operations.

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



Our 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.



Statement from the Group Chief Executive Officer

Strategic Focus for Sustainable Success

In 2023, Saudi Tadawul Group executed its ambitious strategy and pursued sustainable growth, further positioning the Saudi Capital Market as a global financial hub. Our efforts translated into another outstanding year of operational and financial performance, successfully leveraging our world-class offerings to attract both local and international investors. We remained focused on prioritizing investing in data monetization, diversifying the range of securities offered, and enhancing communication of our ambitious growth strategy.

This year marked another significant increase in listing activity within our Main and Nomu – Parallel Market, underscoring the sustained momentum. The robust pipeline of companies poised for listing further demonstrates the unwavering enthusiasm and resilience of our financial ecosystem.

With a market capitalization of SAR 11.31 trillion (USD 3.02 trillion) as at year end, Saudi Exchange continues to be the leading exchange in the Middle East and North Africa. This year, we advanced our global rank to become the 8th largest stock market in the world and continued to pursue our ambition to remain among the top exchanges in the world.

Our efforts to diversify the capital market and increase its attractiveness to both institutional and retail investors showed encouraging signs, as we registered a total of 3,724 qualified foreign investors (QFI). We also announced agreements with multiple international exchanges. These agreements pave the way for international dual and cross-listings, magnifying our visibility and expanding our reach across borders, thereby supporting our position in the global financial landscape.

Delivering on our Growth Strategy

We continued to build our premier position as an investment destination of

choice through the implementation of strategic market enhancements aimed at enriching the experience for both investors and market participants alike. In addition to launching Single Stock Option (SSO) contracts, as well as new size indices and Initial Public Offering (IPO) index on the Saudi Exchange, our clearing house, Muqassa, has announced its acceptance of non-cash collateral for cash markets, showcasing our commitment and demonstration to leading the market with innovative financial solutions. This strategic shift seamlessly aligns with our overarching growth strategy, where the integration of cutting-edge technology serves as a fundamental pillar across our Group. This year, our efforts culminated with the launch of Liqaa, an integrated online Stakeholder meeting platform for the Group's innovation subsidiary, WAMID. This platform not only digitizes, but also enhances meeting experiences for issuers, investors, Stakeholders, and capital market institutions, thereby contributing significantly to the Kingdom's innovative leadership in the finance sector.

Our acquisition of a 51% majority stake in "Direct Financial Network Company", a leading provider of FinTech and financial content solutions, marks a pivotal milestone in our strategic inorganic growth and diversification trajectory. With its extensive geographical reach and wide range of services, "Direct Financial Network Company" will provide new capabilities and market access for WAMID. The Group's first acquisition represents our inaugural step towards strategic growth and strengthening our offering, paving the way for a solid foundation for future diversification.

Fulfilling our Human Resources and Sustainability Commitments

This year, we made remarkable progress in advancing our human resources and sustainability strategy, with a focus on

promoting employee development. We implemented the Organizational Health Index assessment across all our entities to enhance employee satisfaction, which enabled us to enhance our strategies aimed at improving employee engagement.

We also increased the average training hours per employee by more than 25%, reflecting our commitment to professional development and continuous growth. We elevated our Graduate Development Program by partnering with world-class institutions such as Harvard Business School. Further, we signed Memoranda of Understanding with leading educational institutions such as Al Yamamah University to upgrade our continuous learning offerings.

During 2023, we achieved a key milestone by reaching a 30% representation of women in our workforce. This accomplishment demonstrates our dedication to creating a diverse and inclusive workplace, where all employees have equal opportunities. These efforts have improved our gender diversity, which has positively impacted our overall employee performance.

Sustainability remained a key priority for us in 2023. As a founding shareholder and participant alongside the Public Investment fund (PIF) in establishing the Regional Voluntary Carbon Market Company (RVCM), we were honored to be part of a pioneering initiative that empowers businesses and industries in the region to contribute to the global net zero goal. Through the RVCM's carbon credit auctions, the Group affirms its commitment to facilitating the trading of carbon credits, incentivizing companies to reduce their emissions, contributing to the growth of the Kingdom's green economy, and creating a prosperous future for all.

Award-winning Performance

Our world-class operations earned the Group multiple accolades this year.

We received the Silver Excellence Award from the Human Resources Development Fund for our efforts to support small and medium-sized enterprises (SMEs) in the Kingdom. In addition, the Group was one of only six entities in Saudi Arabia to receive the Procurement Excellence Standard Award from the Chartered Institute of Procurement and Supply (CIPS). Furthermore, the Group earned two ISO certifications – the ISO 9001:2015 for Quality Management System, and the ISO 4001:2018 for Facilities Management System – highlighting our dedication to maintaining excellence and enhancing operational efficiency in our business practices.

On the subsidiary level, the Saudi Exchange also received an award for fostering the growth of SMEs.

Muqassa was awarded Best Clearinghouse in the Region for 2022 by the Arab Federation of Capital Markets (AFCM) in recognition of its role in enhancing market efficiency, thereby enabling Saudi market expansion into new products and services.

Accelerating Achievements

Looking ahead, we will increase our efforts to position Saudi Arabia among the top global financial sector players. The forthcoming year will be full of important developments as we remain focused on delivering growth for the market, our members and our shareholders. Our agile operational environment will continue to support growth and innovation, enabling rapid responses to evolving global and regional market trends.

The Group will further diversify its business model, working to complete our array of capital market-related products and services while ensuring integration across our relevant business lines. We will continue to assess opportunistic acquisitions that will enable us to fulfill our ambitious growth strategy.

Following the recent growth and success of the Saudi capital market, we will look to enhance Saudi Arabia's debt capital market as a key contributor to the overall success of our capital market. We will also enhance the regional commodities market, further raising the Kingdom's status in the global financial sector.

I would like to express my sincere gratitude and appreciation to all the Stakeholders who have contributed to our success in the past year. I would like to thank our Board of Directors for their leadership towards realizing our ambitious vision and their strategic oversight in a challenging and dynamic environment, and to our employees for their continued dedication and professionalism.

I would also like to thank our market members and issuers for their trust and partnership, our shareholders for their support and confidence, and our broader capital market ecosystem for their collaboration and innovation. I look forward to continuing our journey of growth and transformation in the year ahead.

Eng. Khalid Al-Hussan

Group Chief Executive Officer, Member of the Board of Directors

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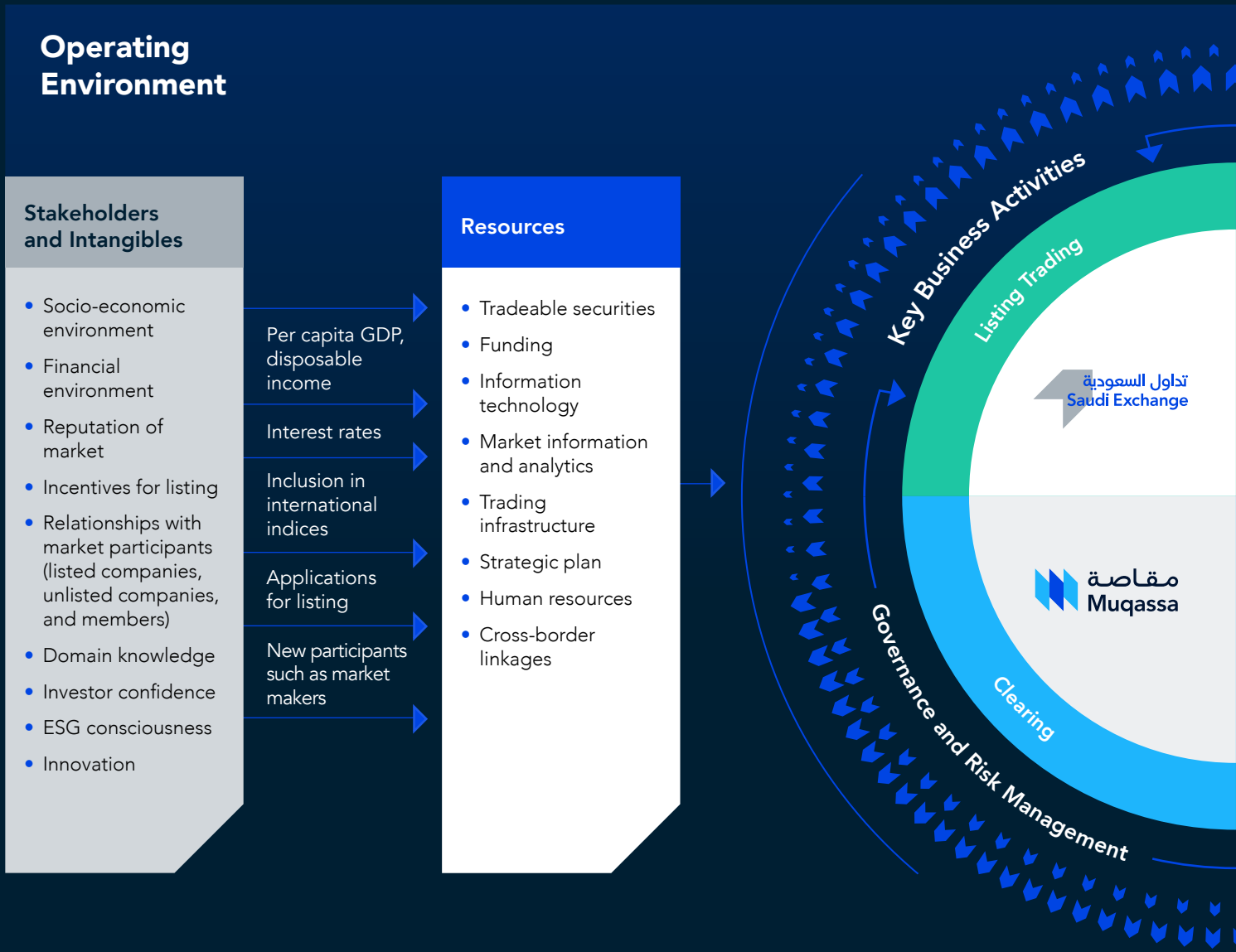
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Business Model

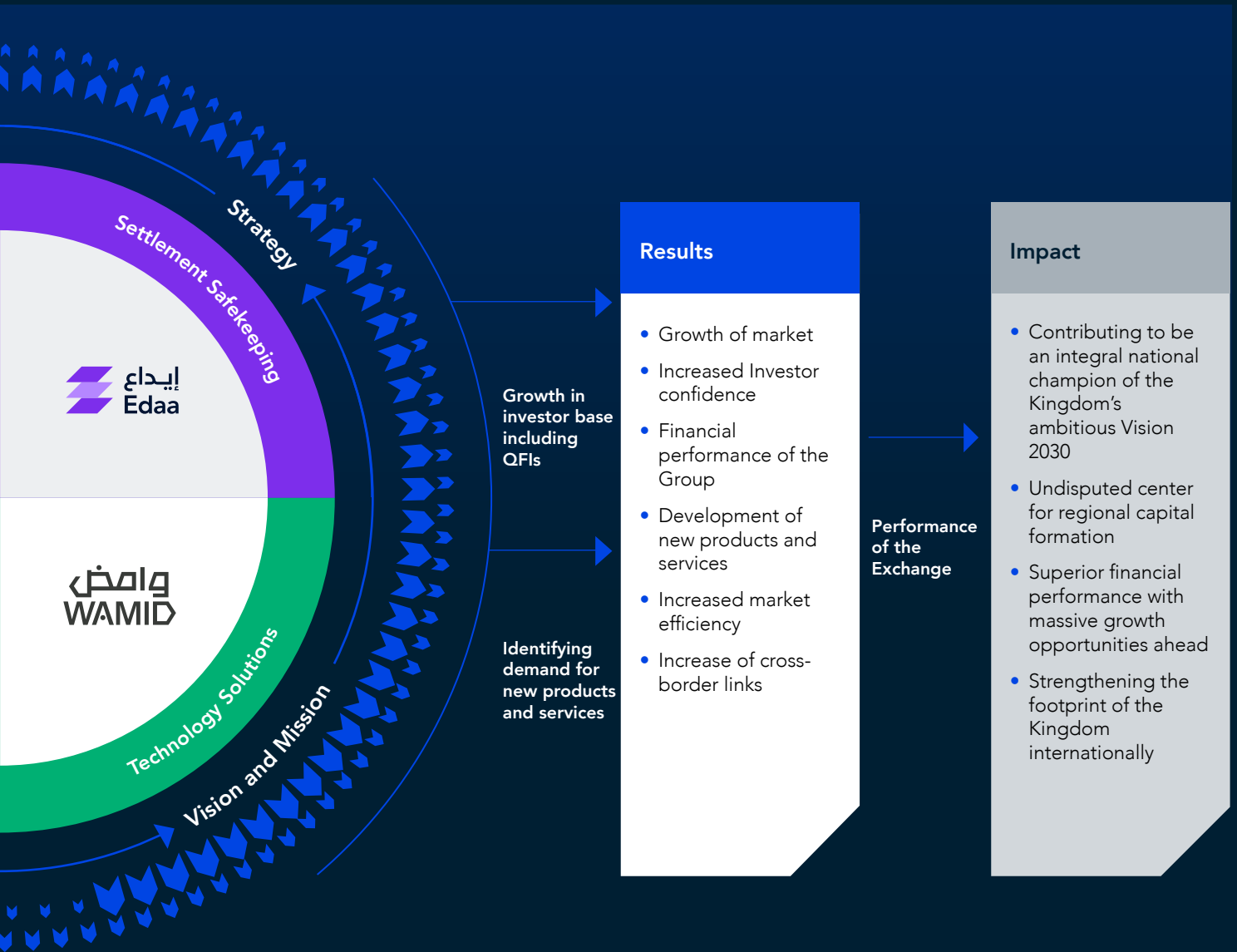
Operating Environment



Listing

- Evaluating and processing applications for IPOs
- Allocating shares to investors following an IPO
- Updating data, information, and analytics
- Transferring cash and securities
- Updating depository
- Updating registry

Saudi Tadawul Group creates sustainable value for its Stakeholders through its robust and proven business model that leverages its unique strengths and proposition across its growing portfolio of subsidiaries, services, and solutions.



Trading

- Buy and sell orders placed through members
- Match buy and sell orders
- Generate trades
- Work out obligations of both parties
- Minimize counterpart risk
- Netting of transactions

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

The Saudi's Ambitious Vision 2030

Saudi's Vision 2030 is a strategic framework aimed at reducing Saudi Arabia's dependence on oil, further diversifying its economy through the privatization of state-owned assets, emphasizing the role of the Sovereign Wealth Fund and further developing public service sectors such as health, education, infrastructure, recreation and tourism.

To build the best possible future for the Kingdom of Saudi Arabia, the Saudi's ambitious Vision 2030 is built around three fundamental themes: a vibrant society, thriving economy and an ambitious nation.

To ensure and drive the realization of the Saudi's ambitious Vision 2030 and its supporting themes, eleven Vision Realization programs have been set, one of which is the Financial Sector Development Program (FSDP). Launched in 2018, the FSDP aims at developing a diversified and effective financial sector to support the development of Saudi's national economy, diversify its revenue streams, and stimulate savings, finance, and investment through the improvement of financial institutions and their services, while transforming the Saudi Exchange into an advanced capital market.



Central to the realization of the Saudi's ambitious Vision 2030 and the FSDP's objectives is the pivotal role played by the Saudi Tadawul Group, through various strategic initiatives aimed at developing a technologically advanced and integrated capital market. The Group's transformation into a holding structure in 2021 marked a significant step towards achieving these objectives, emphasizing its commitment to advancing the Saudi capital market's infrastructure, enhancing its competitiveness, and aligning with international best practices.

Saudi Tadawul Group's vision aligns with the Saudi's ambitious Vision 2030's goals of economic diversification and growth. By fostering the development of a diverse capital market and acting as a bridge between global investors

and regional economies, the Group aims to position Saudi Arabia as an emerging market leader and an attractive global investment destination. The Group has outlined strategic objectives that include enhancing competitiveness, creating an agile environment responsive to global and local market trends, introducing best-in-class services for market participants, diversifying investment opportunities, and developing the market's infrastructure and member offerings.

The Group's initiatives also include enhancing the technological infrastructure of the Saudi Capital Market through its subsidiary WAMID, which focuses on emerging technologies to solve real-world challenges. This, alongside the development of Nomu – Parallel

Market for SMEs and the direct foreign investment in debt securities, illustrates the Group's comprehensive approach to market development.

Saudi Tadawul Group's IPO in December 2021 and its strategic positioning as a national champion underline its integral role in the delivery of the FSDP under the Saudi's ambitious Vision 2030. The Group's innovative history, leadership in the largest IPO, and growth in QFIs since January 2018 demonstrate its pivotal role in shaping the future of the Saudi capital market. Through these efforts, Saudi Tadawul Group supports the Kingdom's economic diversification and growth objectives while enhancing Saudi Arabia's standing in the global investment community.

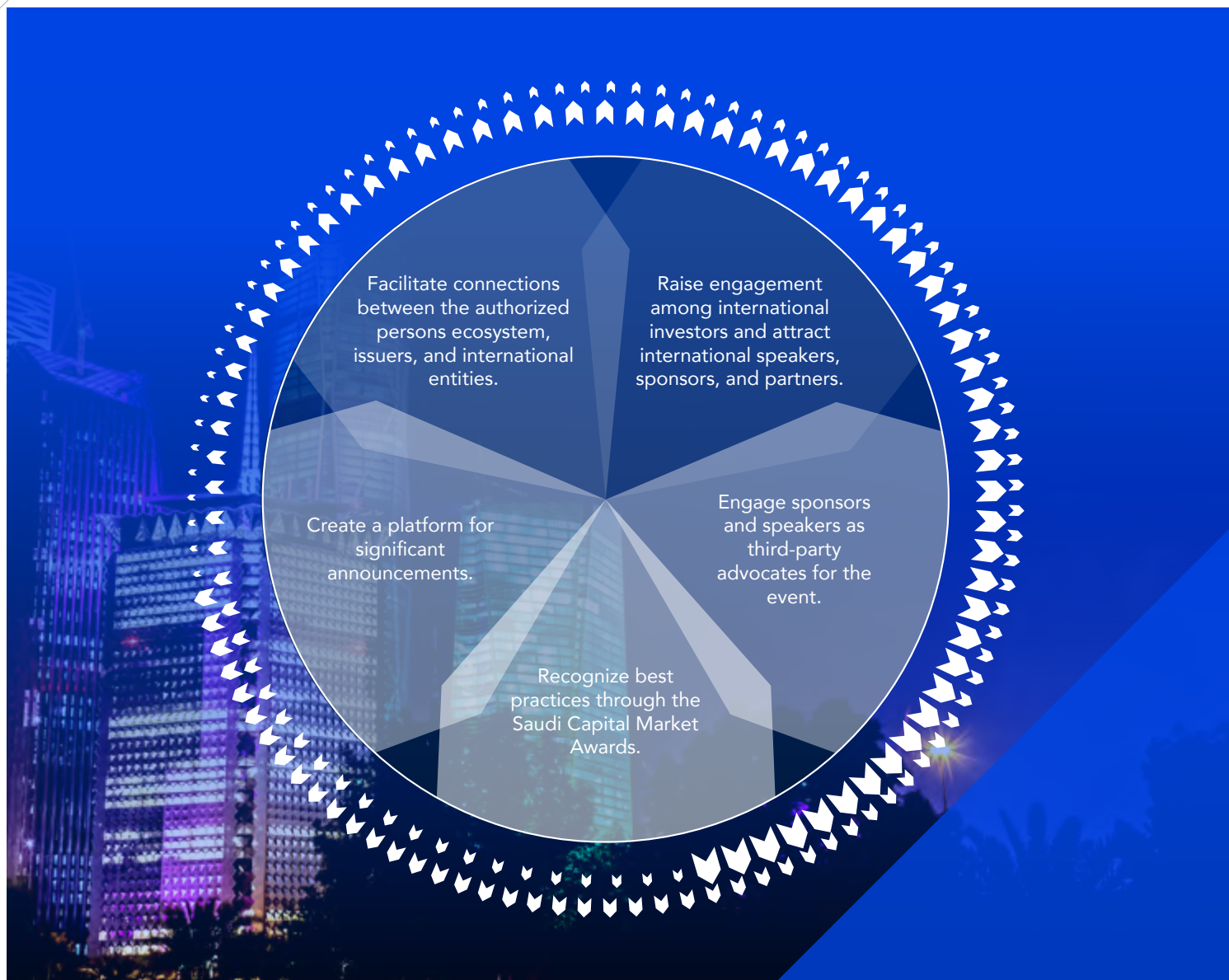


SCMF Case Study

Building the Future of Capital Markets Today: Saudi Capital Market Forum 2023

Saudi Tadawul Group held in February 2023, the second edition of the Saudi Capital Market Forum (SCMF) brought together issuers, investors, private companies, government entities, and financial institutions to explore key issues facing the industry and the evolution of global capital markets, as well as showcase the efforts of Saudi companies in meeting global ESG standards.

A standout event in the regional financial calendar, SCMF 2023 aimed to:



Engaging Stakeholders and building brand

Building on the solid foundation of the inaugural SCMF in 2022, the 2023 edition of the forum was a massive success by any measure. More than doubling the number of attendees from the previous year, it exceeded its targets and 2022 benchmarks, establishing itself as a can't-miss event and one of the largest capital market conferences in the region.

By bringing together all key Stakeholders and partners, it provided a venue for a number of significant agreements to be signed and partnerships to be forged, including:

- MoU signed between Saudi Tadawul Group and Singapore, Qatar, and Egypt stock exchanges to collaborate across ESG, diversity, and inclusion, and explore collaboration across various financial instruments while identifying new opportunities in indices, derivatives trading, and FinTech advancements.
- MoU signed between Saudi Exchange and the Saudi Venture Capital Company to stimulate investment in specialized private sector funds in early pre-IPO stages managed by financial institutions.
- MoU signed between Saudi Tadawul Group and Clarity AI Information Technology to explore the potential to create a data management and investor platform for users in the region and beyond.
- MoU signed between Saudi Exchange, the Ministry of Economy and Planning, and the Capital Market Authority (CMA) to advance ESG standards in the Kingdom.

SCMF 2023 also provided Saudi Tadawul Group with a platform to interact and engage with its local and international Stakeholders. It enhanced the Stakeholder database and unlocked new opportunities to listen to Stakeholders' ambitions and requirements, positioning the Group to continue to innovate and create additional value moving forward.

Saudi Capital Market Forum 2023 at a Glance



Financial Review

In 2023, Saudi Tadawul Group continued its ambitious strategic growth, pursued sustainable growth, and diversified revenues, demonstrating financial resilience and adaptability in a dynamic economic landscape. Efforts to expand our product offerings, enhance market liquidity, and pursue strategic partnerships and acquisitions underscore our commitment to sustainable growth and market leadership.

At the end of 2023, Saudi Tadawul Group's market capitalization was SAR 22.42 billion (USD 5.98 billion). Our unique investment proposition reflects our dominant position in the region and its potential for growth. We have consistently demonstrated our resilience, adaptability, and strategic vision, positioning the Group as a key player in regional and global financial markets.

This year, we worked to further enhance the Group's market performance and increase liquidity in the market. Our dedication to improving liquidity and trading activity is a central aspect of our strategy to create a more dynamic and accessible market for investors, ensuring a robust and resilient trading environment.

Market volatility and trading values presented a significant challenge impacting financial performance in 2023. To address this, we actively diversified our revenue streams in line with our new five-year strategy. Our efforts aimed to reduce our reliance on trading fees and create a more stable and resilient financial base capable of withstanding market fluctuations.

Non-trading revenue accounted for 49.9% of total revenues in 2023, reflecting our strategy to tap into new and complementary revenue opportunities. We continued to launch new products

and services, such as Single Stock Options (SSO), demonstrating our commitment to innovation and meeting the diverse needs of our clients. The acquisition of "Direct Financial Network Company", created a pathway for the Group to capitalize on new revenue opportunities in FinTech and financial content across multiple geographies.

Demonstrating Financial Resilience

Saudi Tadawul Group's revenue reached SAR 1,072.8 million (USD 286.1 million) in 2023, compared to SAR 1,090.2 million (USD 290.7 million) the previous year, representing a 1.6% decline. EBITDA also decreased by 20.8% from SAR 509.1 million (USD 135.8 million) to SAR 403.1 million (USD 107.5 million). The EBITDA margin reached 37.6% compared to 46.7% the previous year. The associated increase in operating expenses reached 15.5% from SAR 644.3 million (USD 171.8 million) to SAR 744.5 million (USD 198.5 million).

Revenues remained diversified across the Group's portfolio. The Post-Trade segment represented 53.4% of Group revenue, while Capital Markets represented 31.3%, and Data and Technology Services represented 15.3%. While Post-Trade and Capital Markets respectively experienced 1.8% and 17.5% declines in revenue, Data and Technology Services achieved an impressive 64.2% growth.

Net profit after zakat reached SAR 390.1 million (USD 104.0 million), compared to SAR 424.6 million (USD 113.2 million) the previous year, a reduction of 8.1%. The net profit margin reached 36.4% in 2023 compared to 38.9% in 2022. Gross profit declined from SAR 702.5 million (USD 187.3 million) to SAR 606.8 million (USD 161.8 million), representing a 13.6% change. Earnings per share was SAR 3.25.

Total assets stood at SAR 7,636.9 million (USD 2,036.5 million) at the end of 2023 compared to SAR 7,690.0 million (USD 2,050.7 million), a 0.7% reduction. Total liabilities reduced by 0.1% from SAR 4,510.4 million (USD 1,202.8 million) to SAR 4,507.9 million (USD 1,202.1 million). Total equity reached SAR 3,129.0 million (USD 834.4 million) compared to SAR 3,179.7 million (USD 847.9 million) the previous year, a 1.6% decline.

Focused on Diversification and Sustainable Growth

In 2024, Saudi Tadawul Group will pursue its ambition to act as a global financial hub, aligned with the Saudi's ambitious Vision 2030 objectives. To achieve this, we will further diversify our revenue sources beyond the conventional trading fees, developing new financial products, services, and sectors.



SAR 22.42 billion

Group's market cap as of 31 December 2023



2023 SAR 1.07 billion

2022 SAR 1.09 billion

Group's revenue

We will also forge and reinforce strategic partnerships with international financial institutions and exchanges, broadening our global presence and influence.

We are committed to staying ahead of the evolving regulatory landscape, to ensure compliance and market integrity. We will enhance our focus on sustainability factors, which are increasingly important to investors.

As we end the year, I would like to acknowledge the hard work and dedication of our executive team, with excellence and professionalism. Finally, I would like to show my appreciation to all our shareholders, issuers, investors, brokers, custodians, and service providers for their trust and confidence in our Group.

Mr. Shahrukh Qureshi
Group Chief Financial Officer

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Our dedication to improving liquidity and trading activity is a central aspect of our strategy to create a more dynamic and accessible market for investors, ensuring a robust and resilient trading environment.

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Financial Review (continued)

Profit and Loss and Key Ratios Snapshot

SAR million Year ended 31 December	2022	2023	YoY %
Trading revenues	666.5	538.0	-19.3%
Non-trading revenues	423.7	534.8	26.2%
Operating revenues	1,090.2	1,072.8	-1.6%
Operating expenses (excluding depreciation and amortization)	581.1	669.7	15.2%
EBITDA	509.1	403.1	-20.8%
EBITDA margin (%)	47	38	-19.5%
Depreciation and amortization	63.2	74.8	18.4%
EBIT	445.9	328.3	-26.4%
EBIT margin (%)	41	31	-25.2%
Investment income and other income	56.3	125.8	123.4%
Share of results of associates and reversal of impairment	(9.9)	(17.2)	73.0%
Zakat	67.7	55.5	-18.0%
Net profit after zakat*	424.6	390.1	-8.1%
Net profit margin (%)	39	36	-6.6%
Earnings per share (SAR)	3.54	3.25	-8.1%

* Attributable to the Ordinary shareholders of the parent company

Financial Position Snapshot

SAR million Year ended 31 December	2022	2023	YoY %
Cash and cash equivalents	2,118.8	2,050.6	-3.2%
Investments	674.4	660.3	-2.1%
Other assets	4,896.8	4,925.9	0.6%
Total assets	7,690.0	7,636.9	-0.7%
Total liabilities	4,510.4	4,507.9	-0.1%
Total equity	3,179.7	3,129.0	-1.6%

Operating revenues (SAR million)

1,072.8

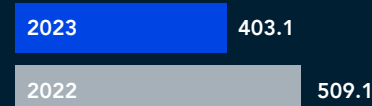
-1.6% (YoY)



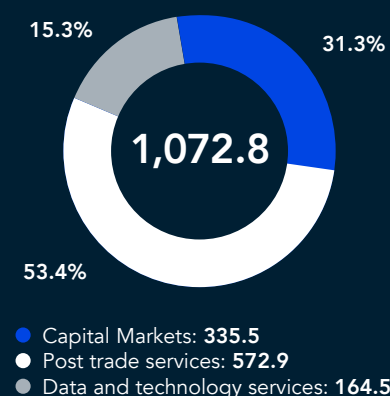
EBITDA (SAR million)

403.1

-20.8% (YoY)



Operating revenue segmental snapshot (SAR million)





Enterprise Risk Management

Saudi Tadawul Group's comprehensive and robust approach to enterprise risk management (ERM) is designed to safeguard the Group, its assets, and the Stakeholders' interests.

In line with the Group's governance model, framework, and culture, it is the responsibility of every individual across the Group to cooperate in identifying any potential risks and setting proper plans to avoid and mitigate any risks that might limit the Group's ability to execute its strategy to create sustainable value for its Stakeholders.

The Group operates within a complex environment that subjugates it to several types of risks, such as operational, technology, corporate, financial, business continuity, information security, and business environment risks. To mitigate such risks, the Group's ERM department implements the ERM policy and

framework, which govern the process to which risk identification, assessment, treatment, monitoring, and reporting is carried out.

The ERM department supports the Group in conducting the risk and control self-assessment process to identify key risks and define appropriate treatment plans. Risk identification is carried out in accordance with the aforementioned type of risks. A process of periodic follow-up is in place to ensure treatment plans are implemented, and when necessary, enhanced.

Key risks are reported regularly to Executive Management and the Group's Governance, Risk, and Compliance Board Committee, which oversees and monitors these risks in line with the Group's risk appetite and tolerance levels. Risk assurance is carried out by the internal audit function which, as per the plan, conducts risk-based audits upon the Group's operations and services. In addition, the ERM department carries out additional risk assessment processes, such as projects risk assessment, assessment of key risk indicators, assessment of incidents and loss events.



Enterprise Risk Management Governance and Framework

The Group's ERM framework provides the appropriate methodology for implementing the risk management process, which includes identifying and measuring risks, as well as identifying risk treatment plans to reduce the likelihood and impact of risks for the Group.

Risk management strategy

The risk management strategy helps align risk management efforts with the Group's overall objectives, improves decision-making, and enhances the Group's ability to navigate uncertainties and achieve sustainable success.

Risk governance

The Group implements the Three Lines Model, which aims to outline the structures, processes and responsibilities to facilitate strong governance of risk management.

Risk culture

Risk culture is the set of values, beliefs, and understanding about risk shared by employees of the Group.

Risk management process

The risk management process includes risk identification, measurement, treatment, and continuous monitoring and reporting. Each step encompasses various tools and techniques that supports its completion. The output of the risk management process is the risk register, a log of all information related to risks and their treatment.

Risk universe

The Group's risk universe classifies risks into seven principal categories: operational risks, technology risks, corporate risks, financial risks, information security risks, business continuity risks, and business environment risks.

Risk appetite and tolerance

Established risk appetite and tolerance levels help the Group make decisions that contribute to achieving its strategic objectives. Risk appetite and risk tolerance levels are determined on the basis of the Group's direction, objectives, culture, and external environment.

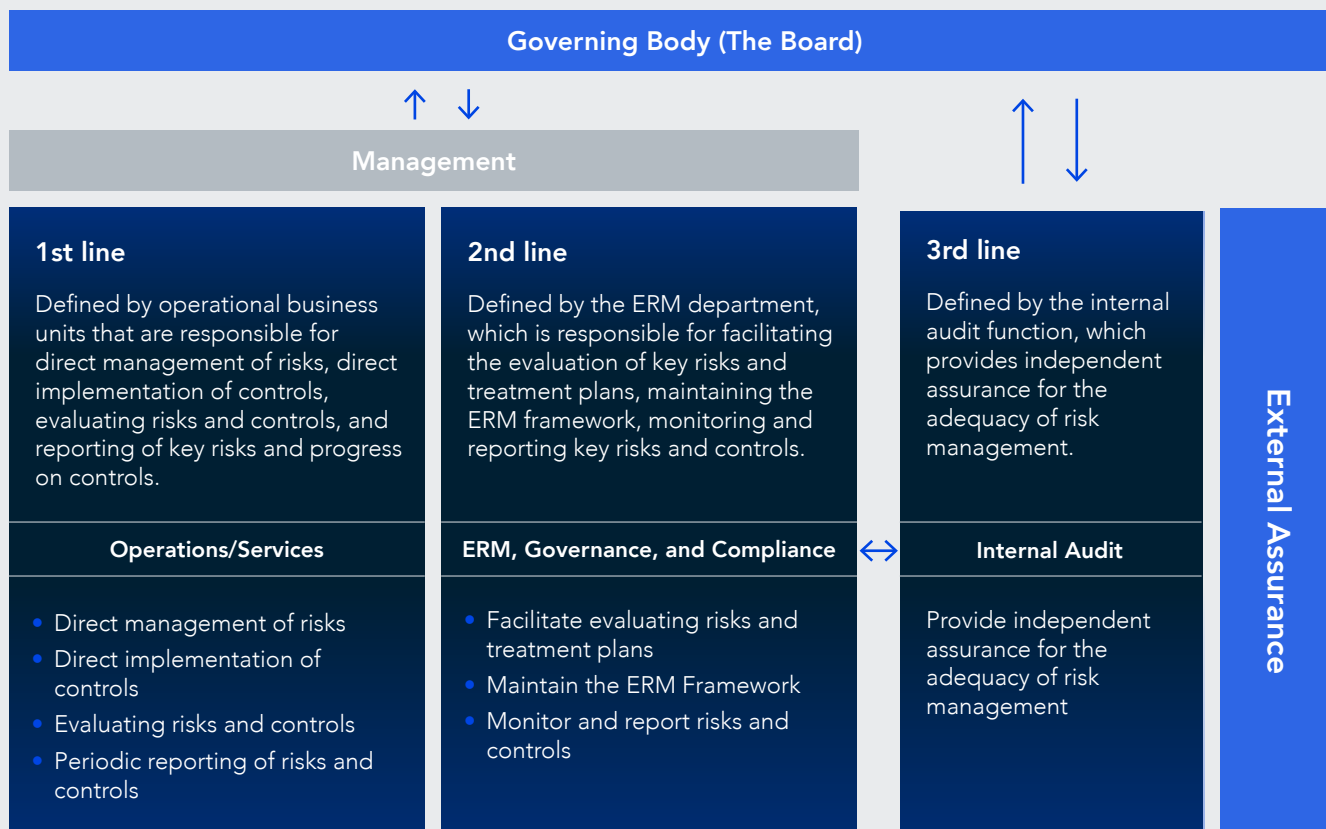
ERM policies and procedures

These policies and procedures provide a structured framework for identifying, assessing, monitoring, and controlling risks across the Group.

Enterprise Risk Management (continued)

The Three Lines Model

Governed and overseen by the Group’s Board of Directors, the Group applies the Three Lines Model.



Key: Delegation, direction, oversight Accountability, reporting Alignment, collaboration

ERM Department

The ERM department’s main purpose is to manage activities required to identify, evaluate, and prioritize risks that could affect services, infrastructure, assets, and resilience of the Group and the execution of its strategy, by developing and maintaining a comprehensive, systematic, and proactive approach aligned with the objectives and long-term initiatives of the Group.

The ERM department is responsible for the following:

- Develops and maintains the ERM policy and framework, which outline the principles, procedures, and responsibilities for managing risks across the Group. This includes defining risk categories, and outlining the overall approach to risk management.
- Works with Senior Management and the Board of Directors to define the Group’s risk appetite and tolerance

levels, which establish guidelines to ensure risks are managed within acceptable limits and aligned with the Group’s strategic objectives.

- Conducts comprehensive risk assessments to identify and evaluate key risks across the Group. The department implements risk assessment methodologies, such as qualitative and quantitative analyses, to determine the potential impact and likelihood of risks. These assessments help prioritize risks and allocate resources effectively.

- Establishes and monitors key risk indicators (KRI), which are measurable metrics that provide early warning signs of potential risks. The department defines relevant KRIs for different risk categories and implement monitoring systems to track and report on the status of these indicators. Monitoring KRIs helps in identifying emerging risks and trigger appropriate risk responses.
- Collaborates with project managers and Stakeholders to conduct risk assessments for the Group's programs, projects, and initiatives. The department identifies and evaluates risks specific to each project, considering factors such as project scope, objectives, timelines, and resource allocation. The department provides guidance on risk mitigation strategies and ensures project risks are appropriately managed within the overall ERM framework of the Group.
- Fosters a risk-aware culture throughout the Group by developing and delivering training programs to enhance risk awareness and understanding among employees.

The department promotes the integration of risk considerations into decision-making processes and encourages open communication about risks across all levels of the Group.

- Prepares and presents regular risk reports to Senior Management and the Board of Directors. These reports provide an overview of the risk landscape, highlight key risks, and assess the effectiveness of risk mitigation strategies. Effective communication of risk-related information helps Stakeholders make informed decisions and take appropriate actions.

Risk Assessment and Mitigation Risk Assessment Methodology

The key attributes of the risk assessment methodology are assessing impact, likelihood, and the risk scoring defined below.

Impact assessment is the process of assessing the probabilities and consequences of the risk events in case they may materialize. Assigning an impact rating to the risk will be based on the rating for the highest impact anticipated, whether it is financial,

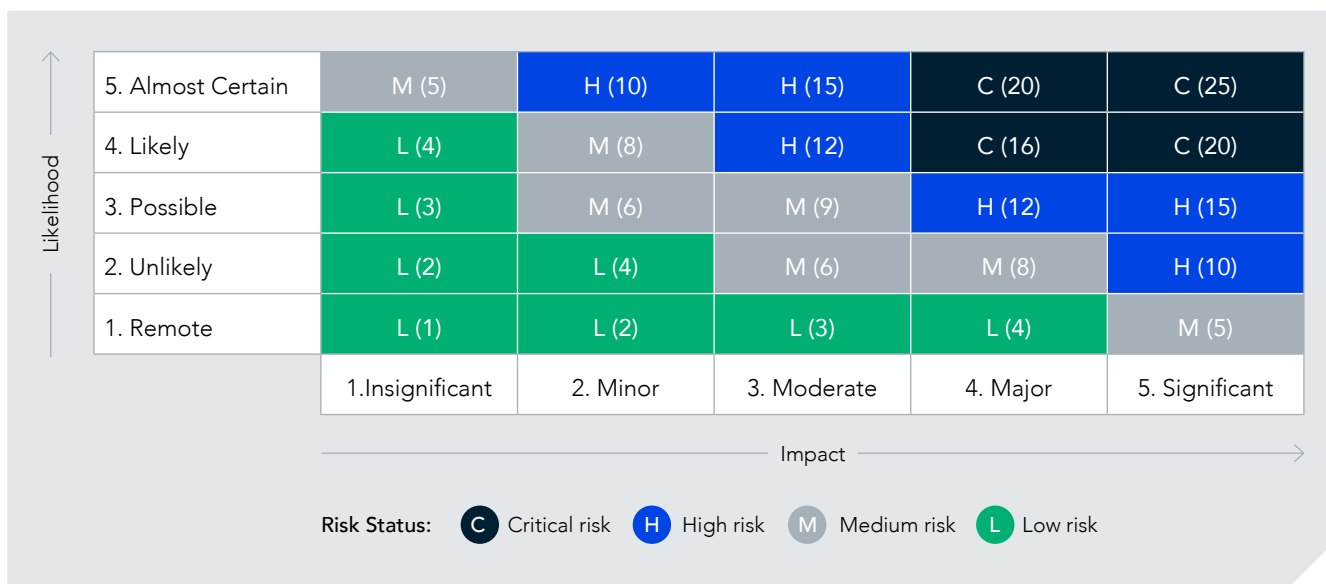
reputational, strategical, customer-based, or legal.

Likelihood assessment is the probability that a risk may cause loss for Tadawul Group before considering the effectiveness of controls.

Risk score is calculated by multiplying the likelihood and impact ratings of each risk. Risk score addresses the inherent risk in case it is calculated without the consideration of the presence or the effectiveness of the related controls.

Risk Status categorizes risks into four ratings: from highest and most urgent risks, which may hinder the Group from achieving its goals; to lower and less urgent risks that have a minimal effect on the Group's efficiency.

After consideration of the presence and effectiveness of controls, the residual risk is determined using a similar methodology to that used for calculating the inherent score. The difference is that the likelihood score is reduced by the control effectiveness rating. When the impact of control effectiveness score is subtracted from the inherent risk, the remaining is the residual risk score.



Enterprise Risk Management (continued)

Risk Mitigation

The ERM department remains proactive in mitigating risks by working collaboratively with all departments to identify and address key risks. The department's comprehensive ERM framework includes implementing robust internal controls, providing guidance to enhance operational efficiency and resilience, conducting periodic risk assessments, facilitating effective communication, and assisting in developing risk awareness throughout the Group.

The department monitors key risks and provides guidance on risk mitigation strategies while ensuring adherence to recognized standards and guidelines. The department collaborates with Stakeholders to minimize the risk of disruptions and maintain the integrity and credibility of the Group. Additionally, the ERM department monitors external factors such as economic, political, and environmental conditions to identify key risks that may impact the Group's performance and objectives and assists in developing contingency plans, engages with Stakeholders, and manages key risks.



Principal Risks

Risk	Description
Operational risks	Risks arising from poor efficiency or failure of internal and external processes, individuals, systems, or external events. These include issuer operations risks, member operations risks, market operations risks, human resources risks, and physical asset risks.
Technology risks	Technology failure that disrupt business operations. Technology risks include infrastructure failures, IT system failures, or telecommunications risks.
Corporate risks	Risks related with Group's strategic objectives, compliance and governance framework, projects, and communication.
Financial risks	Risks that may affect the Group's revenues or reduce the efficiency of operating expenses. Financial risks include liquidity risks, credit risks, investment risks, accounting and financial reporting risks, insurance risks, and fraud risks.
Information security risks	Risks arising from vulnerabilities and threats to information and system, which may affect the achievement of business objectives. Information security risks include internal threats, external threats, data privacy risks, and data integrity risks.
Business continuity risks	Risks that lead to a catastrophic disruption of the Group's operations, resulting in significant losses in the technology infrastructure and level of services provided. The ERM department oversees the requirements determined by business continuity management (BCM) for restoring the service and ensuring the Group's ability to maintain the services provided to ensure the integrity and credibility of the market and investors. The ERM department also supports the BCM to establish controls and plans to reduce the risk of disruption of the system or facilities to ensure the continuity of business commensurate with the requirements of raising the efficiency of the market.
Business environment risks	Risks arising from a number of external factors that form the business environment that affects the performance and objective of the Group, such as economic, political, and environmental conditions, which includes the risks of market members, legal risks, data vendor risks, and the risks of vendors and suppliers.

Enterprise Risk Management Highlights and Achievements

2023 was a year of significant ERM advances and achievements for Saudi Tadawul Group, including:

- Enhanced risk awareness across the Group by providing training programs that educate employees about the importance of risk management and their roles in identifying and mitigating risks. Fostered a risk-aware culture by promoting open communication, collaboration, and accountability for risk management.
- Established a risk appetite and tolerance framework that aligns with the Group's and subsidiaries' strategic objectives. This framework defines the acceptable level of risk the Group is willing to take and helps guide risk management decisions, ensuring risks are managed within predetermined boundaries.
- Conducted thorough risk assessments, utilizing appropriate methodologies and tools, and established appropriate risk treatment plans, implementing internal controls, and monitoring the effectiveness of risk mitigation measures.

- Established a structured risk reporting process, providing timely and accurate risk information to Management and the Board of Directors.
- Ensures alignment with applicable laws, regulations, and industry standards relevant to risk management. Proactively monitored regulatory changes and assessed their impact on the Group's risk profile.
- Implemented proactive monitoring systems and key risk indicators (KRI) to track changes in risk profiles and identify emerging risks.
- Regularly reviewed and evaluated the effectiveness of the ERM policy and framework by identifying areas for improvement and implementing lessons learned. Embraced a culture of continuous improvement by regularly reviewing and enhancing the ERM framework, methodologies, and processes. This includes soliciting feedback, conducting internal assessments, staying informed about evolving industry standards to ensure ongoing effectiveness and relevance and actively monitored the external environment for emerging risks that could impact the Group.
- Ensured that risk management is integrated into project management processes and new initiatives by conducting risk assessments and providing guidance on risk mitigation throughout the project lifecycle.

Cybersecurity

Saudi Tadawul Group's Cybersecurity department, which consists of cybersecurity governance and cybersecurity operations, is responsible for:

- Building, maintaining, and improving the cybersecurity policy and procedures.

- Handling cybersecurity compliance and risk.
- Operating and integrating relevant systems and processes with the Security Operations Center (SOC).
- Continually optimizing existing cybersecurity monitoring tools and processes to ensure protection of critical information assets.

The Department follows National Cybersecurity Authority (NCA) frameworks, such as:

- Essential cybersecurity controls (ECC).
- Critical systems cybersecurity controls (CSCC).
- Cloud cybersecurity controls (CCC).
- Tework cybersecurity controls (TCC).
- Organizations social media accounts cybersecurity controls (OSMACC).
- Data cybersecurity controls (DCC).

In 2023, it effectively monitored cybersecurity assessments, awareness, and the overall effectiveness of the Cybersecurity program. This contributed to ensuring no cybersecurity incidents, obtaining the ISO 27001 certification and ensuring the Group meets all relevant CMA requirements and improves the level of compliance with NCA's regulations.

Business Continuity

Saudi Tadawul Group's Business Continuity department, which follows ISO 22301:2019, is responsible for:

- Developing the appropriate business continuity policy, strategies, and framework.
- Developing, reviewing, and maintaining the Group and subsidiaries business impact analysis (BIA) and business continuity plans.

- Setting the minimum business continuity standards or guidelines for members or any authorized participants who utilize the Saudi Tadawul Group's trading platform or other core services.
- Assessing new initiatives or major changes or systems for business continuity aspects.
- Reviewing and maintaining business continuity risk assessments.
- Developing, reviewing, and maintaining Business Continuity program reports.
- Establishing, implementing, and maintaining an incident response plan to avoid any disruption to the organization's critical services.
- Preparing and managing appropriate testing and exercising plans annually.
- Preparing and maintaining the business continuity training and awareness program for various levels of employees across the Group and its subsidiaries.

In 2023, the Business Continuity department succeeded in evaluating the Group's resiliency by reviewing the Business Continuity program, which covers business continuity and disaster recovery plans, scenario testing, crisis management, and employee awareness, hence obtaining the ISO 22301:2019 certification. The department has supervised failover tests for all the Group's critical systems, including critical businesses, market members, and related third parties and service providers, to ensure the Group's capability and resilience against potential disruptions. Finally, the department also oversaw the Group's continuity by evaluating the resilience of its technical infrastructure and current strategies to optimize it in line with best practices and standards.

Stakeholder Engagement

Saudi Tadawul Group is firmly committed to transparent and mutually beneficial relationships with its Stakeholders, focusing on transparency, collaboration, and sustainable value creation. This approach has been pivotal in reinforcing the Group's position as a regional powerhouse with global reach, highlighting its role as a visionary leader in fostering a sustainable and inclusive capital market.

Through its proactive approach to supporting and engaging all its valued Stakeholders, the Group seeks to continuously create sustainable value for its Stakeholders by addressing their evolving needs. This has supported the Group in delivering exceptional performance over the years.



Shareholders

The Group engages with its Shareholders and analysts through a robust and diverse communication strategy, ensuring constant and transparent dialogue. This engagement takes place through various channels, including Shareholder conferences, meetings, communication platforms, and regular conference calls. In addition to these channels, the Investor Relations team has direct access through several communication channels, allowing Shareholders to reach out with their inquiries and concerns. In 2023, the Group demonstrated its commitment to active shareholder engagement by conducting two virtual General Assembly Meetings, where the Board of Directors and management directly addressed shareholder inquiries. The Group also actively participated in numerous international and local conferences, facilitating several one-on-one meetings with shareholders and analysts, thereby reinforcing its commitment to constructive and transparent communication.

The Group's approach to shareholder communication is underscored by its adherence to best practices and its efforts to provide equal and regular access to material information. In 2023, this was exemplified by the upgrade of its communication channels, including the development of an investor relations app and a revamp of the Investor Relations webpage. These enhancements were strategically implemented to increase the scope and

accessibility of information, reflecting the Group's dedication to transparency and Stakeholder engagement. Moreover, the Group has established a meticulous disclosure procedure to ensure complying with regulatory disclosure obligations. This commitment to transparency aligns with regulatory standards in addition to building trust and confidence among its shareholders and the wider investor community.

The Group's engagements with its shareholders are tailored to reflect the evolving nature of events and developments within the Group and the broader market. Discussions typically revolve around key topics such as financial and operational performance, strategic direction, sustainability initiatives, corporate governance, and the Group's contributions to regional economic development and the Saudi's ambitious Vision 2030 objectives. The insight and feedback gathered from these discussions are meticulously incorporated into the Group's official communications and reports, demonstrating a responsive and proactive approach to Shareholder concerns. By prioritizing regulatory compliance, enhancing information transparency, following best practices, and managing market expectations, the Group effectively creates substantial value for its shareholders, reinforcing its position as a trusted and forward-thinking leader in the financial market.



Employees

The Group engages with its employees through a multifaceted and dynamic approach, focusing on enhancing employee satisfaction and fostering a culture of innovation and adherence to best practices. A key initiative in this endeavor is the implementation of the Organizational Health Index (OHI) assessment across the Group. This assessment plays a crucial role in providing insight into workforce dynamics, enabling the Group to refine and improve its strategies for employee engagement and well-being. The results from the OHI are instrumental in shaping policies and practices that support a positive and productive work environment.

The Group's engagement with employees is ongoing and varies in frequency based on the nature of the activity, ranging from daily to monthly interactions. This comprehensive engagement strategy includes a blend of social events, training programs, surveys, and internal communications activities, extending across the Group and its subsidiaries. In terms of training and development, there has been a significant increase in the focus on employee learning, with average training hours per employee escalating from 44.6 in 2022 to 56.0 hours in 2023. This substantial investment in training is indicative of the Group's commitment to supporting its employees in their career development, enhancing their skills, and

fostering a culture of continuous learning and growth. The Group also prioritizes Saudization and diversity, with dedicated programs and initiatives to support and empower its Saudi national and female employees at every level of the organization.

To strengthen employee culture and engagement, the Group organized a range of events and activities throughout the year.

The outcomes of these engagement efforts are multifaceted. A comprehensive revision of the HR policy has led to an enriched benefits package for employees, including educational allowances, more flexible leave options, and improved travel benefits. Furthermore, the enhancement of the Graduate Development program ensures graduates experience an extensive and well-rounded training journey. A notable advancement is the introduction of dedicated women's leadership programs, affirming the Group's dedication to promoting gender equality and supporting the career progression of women into senior leadership roles. These initiatives collectively contribute to a workplace culture that values inclusivity, innovation, and the overall well-being of its employees, thereby creating significant value for this vital Stakeholder group within the Group.

Stakeholder Engagement (continued)



Community

The Group demonstrates a strong commitment to community engagement through a variety of impactful initiatives.

The Group's dedication to social responsibility is highlighted by its substantial donations, including an annual SAR 100,000 to the Children with Disability Association and SAR 200,000 to the King Salman Humanitarian Aid and Relief Centre. Additionally, the Saudi Exchange has conducted eight virtual workshops for the public on diverse investment topics such as Single Stock Options, Sukuks, and REITs, under the "Invest Wisely" initiative. This program provides regular, free educational workshops and seminars aimed at enhancing

investor awareness and knowledge across different levels of experience. It also includes learning materials and a trading simulation platform, offering a practical, real-life trading experience.

Moreover, the Group's community involvement extends to a Memorandum of Understanding with Al Yamama University, blood donation campaigns, and the "Step-by-step" initiative, underscoring its broad commitment to community support and development. Through these efforts, the Group enhances financial literacy and contributes to the welfare and development of the wider community.



Regulators

The Group's engagement with its regulator is deeply integrated into its operations through the diligent efforts of its Compliance Department. This department's core responsibility is to ensure all relevant departments within the Group rigorously adhere to a broad spectrum of applicable laws and regulations. These include but are not limited to: Labor Law, Competition Law, Anti-Money Laundering Law, the Law of Value Added Tax, Companies Law, Corporate Governance Regulations, and Rules on the Offer of Securities and Continuing Obligations. By doing so, the department plays a pivotal role in fostering effective supervision and control over the Group and its subsidiaries, thereby enhancing the regulatory environment, financial stability, and ensuring the integrity and transparency of the Group and its subsidiaries.

To maintain this high standard of compliance, the Compliance department regularly monitors these regulations across the relevant departments using a compliance grid. These tools ensure ongoing adherence to all applicable regulations.

Furthermore, the department conducts weekly code of conduct awareness sessions for new joiners and an annual session for existing employees, ensuring all Staff members are regularly updated on compliance matters. In addition, the department provides annual anti-money laundering (AML) training to all employees. These comprehensive training programs are crucial for maintaining a culture of compliance and ethical conduct within the Group, reflecting its commitment to upholding the highest standards of regulatory compliance.



Market Participants

The Group is keen to communicate continuously with market participants through a diverse and adaptive approach, utilizing calls, meetings, conferences, workshops, speaking opportunities, and webinars. The frequency and method of engagement vary based on the requirements of the market participant. Global business development often involves face-to-face interactions, especially at conferences, while established relationships frequently shift to virtual interactions; except in London where the Group has a physical presence. Interaction with members, both local and international, occurs on a daily or weekly basis. Engagement with market participants like Qualified Foreign Investors (QFI) ranges from quarterly to annually or revolves around specific news flow from Saudi.

Discussions with market participants cover a broad range of topics. These include general market introductions or updates, access to products and data offerings for high-frequency trading and algorithmic trading clients, resolving specific technical updates or issues, ESG practices, reporting and ratings, Saudi Exchange products and developments, Saudi Exchange membership, and market sounding for existing and new products and

services. With respect to resolving any issues, interaction is coordinated and carried out in tandem with WAMID, Muqassa, and Edaa.

The Group implements several key actions from these discussions. Regular dialogue with members, clients, QFIs and others informs better choices regarding product development and addressing regulatory issues. Formal market consultations form a crucial part of these conversations. Feedback is communicated to internal Group's functions and subsidiaries, ensuring a comprehensive understanding and response to market needs. Additionally, the Group initiates discussions with Saudi Exchange issuers on ESG practices, offering personalized advisory sessions and connecting them with experts through workshops. This collaboration extends to enhancing the ESG infrastructure and framework in Saudi Arabia. The Group also plays a pivotal role in raising awareness and guiding issuers through their ESG reporting journey and supports the overall enhancement of ESG practices in the Saudi Capital Market.



External Business Partners

The Group engages with its external business partners through both virtual and physical meetings. This approach ensures effective communication and collaboration, regardless of geographical boundaries. The Group initiates this engagement by inviting partners to an introductory meeting, which is conducted on a quarterly basis. This regular schedule facilitates ongoing dialogue and fosters a continuous relationship with its partners.

During these meetings, a variety of key issues are discussed. These include exploring areas for potential collaborations on various topics, exchanging knowledge, and conducting awareness workshops. These discussions are crucial for identifying mutual interests and opportunities for joint ventures or partnerships. One of the key actions resulting from these discussions is the signing of Memorandums of Understanding (MoU). These agreements outline the scope of cooperation and collaboration between the Group and its external business partners.

In terms of creating value for these Stakeholders, the Group takes several proactive steps. It facilitates meetings with the Group's departments, enabling partners to engage directly with relevant teams and access the necessary expertise. This can be particularly valuable for initiatives like cross-listing, where in-depth knowledge and coordinated efforts are essential. Additionally, the Group emphasizes knowledge sharing, which benefits its external partners while contributing to the Group's understanding of diverse market dynamics and Stakeholder needs. Through these engagements, the Group strengthens its business relationships and enriches the overall ecosystem in which it operates.

Stakeholder Engagement (continued)



Issuers

The Group maintains a dynamic and continuous engagement with its listed issuers, ensuring an open line of communication and collaboration. This engagement is multifaceted, encompassing one-on-one meetings, phone conversations, conferences, workshops, and email exchanges, thereby catering to the diverse needs and preferences of the issuers.

The key topics of discussion in these interactions revolve around critical aspects like disclosures, adherence to listing rules, understanding and complying with the restriction period (blackout period), and staying abreast of new incentives launched for issuers. Additionally, the Group focuses on informing and educating issuers about upcoming events and market enhancements, ensuring they are well informed and prepared for any market

changes. As part of the Group's interactions with the CMA, it regularly engages issuers through surveys and meetings covering a range of topics related to the development of the Saudi capital market, including changes in fees, processes, and products.

In response to these discussions, the Group is committed to reviewing the feedback received from issuers and implementing key actions. This includes conducting workshops designed to increase awareness and understanding of the Group products and services among issuers. These workshops and other educational initiatives are a testament to the Group's dedication to supporting its issuers, enhancing their experience, and ensuring their success within the Group's ecosystem.



Data Vendors and Index Providers

The Group engages with data vendors and index providers through a two pillars. Firstly, it involves managing existing relationships addressing a variety of requests, queries, and issues. This aspect of engagement encompasses over 270 clients, including issuers, fund managers, and members of the exchange. Secondly, the Group focuses on reaching out to potential clients to promote their offerings and gather feedback, which is crucial for enhancing existing solutions and introducing new ones that meet client demands.

Engagement with data vendors and index providers occurs on a daily basis. These interactions are critical for maintaining strong, responsive, and mutually beneficial relationships. Key topics of discussion include the specifications of available data and products, as well as the negotiation of license terms. Key account management and support activities are integral parts of these interactions, ensuring the clients' needs and

expectations are met efficiently. From these discussions, the Group has identified key actions for implementation. Foremost among these is the anticipation of customers' demands, enabling the Group to develop products and solutions that are relevant to current requirements and aligned with future client needs.

In creating value for this Stakeholder group, the Group focuses on providing products and solutions that add significant value to their clients. These offerings are designed to help clients access and trade in the Saudi markets effectively and efficiently. By understanding and responding to the specific needs of data vendors and index providers, the Group ensures its products and services are both relevant and beneficial, thereby reinforcing its position as a leading financial market entity committed to meeting the evolving demands of its diverse clientele.

