

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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