

Saudi Tadawul Group announces its FY 2021 financial results and achieves a net profit of SAR 587.70 million

Riyadh, Saudi Arabia, March 6, 2022: Saudi Tadawul Group (the “Company” or the “Group”), a leading diversified capital markets group in the MENA region, announced its financial results for the full year 2021.

Financial Performance Highlights

Saudi Tadawul Group Holding Co. (“The Group”) achieved a net income after zakat of SAR 587.70 million in 2021, a 17.42% year on year (YoY) increase from SAR 500.52 million in 2020, This was mainly driven by the following:

- **Operating Revenues:** Operating revenue increased by 8.01% YoY reaching to SAR 1,166.08 million in 2021 compared to SAR 1,079.64 million in 2020, which was predominantly due to solid growth in trading services, post trade services, and listing fees on the back of strong Saudi Capital Market performance in 2021.
- **Gross Profit:** Group’s Gross profit increased by 8.79% YoY reaching to SAR 820.69 million in 2021 compared to SAR 754.40 million in 2020, due to the increase in the Group’s operating revenues.
- **Operating Profit:** Group’s Operating profit increased by 12.64% YoY reaching to SAR 611.83 million in 2021 compared to SAR 543.16 million in 2020. This was mainly due to an increase in the Group’s gross profit by SAR 66.29 million against a more moderate increase of SAR 17.09 million in general and administrative expenses which was diluted by a reduction of SAR 19.47 million in an impairment charge on financial assets.
- **EBITDA:** Group’s EBITDA increased by 13.10% YoY reaching to SAR 668.85 million in 2021 compared to SAR 591.37 million in 2020, on the back of the growth in the Group’s operating revenue against moderate growth in the Group’s operating expenditures.
- **Zakat Expense:** Group’s Zakat expense decreased by 20.75% YoY reaching to SAR 66.22 million in 2021 compared to SAR 83.56 million in 2020, as a result of optimization of the Group’s financial assets in 2021.

Eng. Khalid Al-Hussan, Group Chief Executive Officer at **Saudi Tadawul Group** commented:

“The Group’s financial results in 2021 reflect its resilient performance as it delivers on its growth plans, in line with the objectives of the Financial Sector Development Program and the Kingdom’s ambitious Vision 2030. The Group continued to contribute achieving these objectives through its ongoing support for the economic growth in the Kingdom and the advancement of its financial market through integration and technological enhancements, driven by the pillars of the program development of the financial sector.”

He added: *“Through its subsidiaries, Saudi Tadawul Group continued to contribute to developing and diversifying the Saudi capital markets and diversify its instruments, with the new listings reflecting an increase by 7.5% in average daily traded value (ADTV) in 2021. The Group strengthened its role as the leading center for investors in the MENA region, attracting both regional and international investments to the Saudi market.”*

He continued: *“During 2021, Saudi Stock Exchange (Tadawul) was transformed into a holding Group named (Saudi Tadawul Group Holding Co.) comprising four subsidiaries including the newly-established Tadawul Advanced Solutions Company (WAMID), to support our ambitious goals deploy advanced technologies as well as world-class innovative services and solutions. WAMID’s mission is to enhance the Group’s services and strengthen its capabilities, supporting the vertically integrated and scalable business model with a diverse revenue profile and creating vast opportunities to further expand the Group’s service offering.”*

Eng. Al-Hussan concluded: *“The Group’s successful IPO and listing in December 2021, is a milestone to scale up our integrated and diverse business model and deliver further value for our shareholders while enhancing the Group’s services for issuers and investors alike through operational streamlining and new market infrastructure instruments.”*

Business Performance Highlights

In H1 2021, the Group announced its transformation into a holding Group that includes four subsidiaries: Saudi Exchange Company (Saudi Exchange), The Securities Clearing Center Company (Muqassa), The Securities Depository Center Company (Edaa), and Tadawul Advanced Solutions Company (WAMID), a newly created subsidiary focused on solutions and pioneering technologies. This transformation aimed to enhance global competition, diversify investment opportunities, attract international investors, and enhance the infrastructure of the financial market. At the same time, it will provide best-in-class services to all market participants and keep pace with rapid developments in local and global markets.

- In 2021, The Group announced its intention to offer 30% of its issued capital for public subscription by listing its ordinary shares in an Initial Public Offering on the Saudi Exchange’s Main Market.
- In H2 2021, the Public Investment Fund (PIF) to establish the Riyadh Voluntary Exchange Platform, an exchange for trading offsets and carbon credits in the MENA region in collaboration with the Group.

- The Saudi Tadawul Group, signed a memorandum of understanding (MoU) with SIX, in an effort to explore opportunities for collaboration in such as cross listing, cooperating on environmental, social, and governance (ESG), facilitating investor access to Saudi Arabia's capital market, and enabling effective data sharing and research.
- The Saudi Exchange "a Group subsidiary" continued to reinforce the importance of adhering to the principles of ESG through the launch of the new ESG Disclosure Guidelines for issuers.
- The Saudi Exchange Company "a Group subsidiary" announced that IHS Markit, a leading information provider for financial markets, has included Saudi Government Sukuk market into the iBoxx Global Government Bond Index effective January 31st, 2022
- The Securities Depository Center Company (Edaa) "a Group subsidiary" continued to strengthen its global links to attract international investors in debt instruments and ETFs as well as shares. In H2 2021, Edaa signed MoUs with Clearstream and Euroclear to increase international investors access to the Saudi capital market.
- The Saudi Exchange Company "a Group subsidiary" announced Saudi Arabia's inclusion in FTSE Emerging Market Government Bond Index (EMGBI) starting from April 2022. It is expected that 42 Government instruments will be included, constituting 2.75% of FTSE Government bonds in Emerging Markets in terms of weighted market value.
- The "Saudi Exchange" and "Edaa" "Group subsidiaries" announced the enhancements to the Regulations of Securities Borrowing and Lending and Short Selling.

Market Performance Highlights

- **The number of listed companies** on the Main Market increased to 210 as at December 31, 2021, from 203 as at December 31, 2020, which demonstrates the attractiveness of the Saudi capital market and economic recovery post pandemic.
- **The average daily traded value (ADTV)** on the Main Market increased by 7.5% YoY SAR 8,944 million in 2021, driven by higher liquidity from increased investor interest, the continued low profit rate environment, and the Saudi Government initiatives to support general business activity.
- **Market capitalization** on the Main Market reached SAR 10,009 billion as at December 31, 2021. This 10.0% YoY increase from SAR 9,102 billion as at December 31, 2020 is due to the Kingdom's strong market fundamentals and positive economic outlook, coming out of COVID-19.
- **Record 15 IPOs in 2021** bringing the total issuers on the Saudi Exchange "a Group subsidiary" to 210 as end of December 31, 2021 - nine on main market and six on NOMU – parallel market.

Strategy and outlook

Saudi Tadawul Group is committed to becoming a global capital markets leader and the ultimate champion and to be one of the key foundational pillars of the Kingdom's Vision 2030, as well as being one of the major drivers of the Financial Sector Development Program.

The Group's strategic goals are underpinned by set value drivers positioning the Group it as a regional champion that can capitalize on the significant Saudi market transformation to accelerate its growth, strengthen its operational and financial performance, diversify its world-class offering across solutions and technologies, and broaden its clients base in the Kingdom, the region and internationally.

The Group also strengthened its position as a regional platform leader through continued innovation and sustained connectivity with other leading exchanges and market participants. Building on its strength as the bridge between regional and global foreign investors and the region's economies, as being an operator of one of the largest in the world and the leading exchange in the MENA region by market capitalization and liquidity.

Through its transformational IPO and its future looking strategy, the Group has established a robust platform for growth and delivered on its objective to develop an advanced capital market in the Kingdom and an attractive destination for both issuers and investors from around the world. In 2021, this was evident in the record number of listings and in the launch of a number of unique services and regional and international partnerships.

Segment Information

The Group is organized into business segments based on services provided. The reportable segments of the Group are as below "Segment Information":

- **Capital Markets Segment:** The Capital Markets segment revenue, which includes trading services and listing fees, increased by 7.57% YoY, reaching to SAR 489.84 million in 2021.

The trading services revenue increased by 7.13% YoY reaching to SAR 409.36 million in 2021 compared to SAR 382.13 million in 2020, driven by an increase in average daily trading values.

The listing fees revenue increased by 9.88% YoY reaching to SAR 80.48 million in 2021 compared to SAR 73.24 million in 2020, this was mainly driven by an increase in the number and size of listings.

- **Data & Technology Services Segment:** Data and Technology services segment revenue decreased by 17.09% YoY reaching to SAR 93.26 million in 2021 compared to SAR 112.50 million in 2020 due to one-off fee in 2020 for the services of licenses and market information.
- **Post-Trade Segment:** Post-trade revenue segment increased by 13.91% YoY reaching to SAR 582.97 million in 2021 compared to SAR 511.77 million in 2020, mainly due to an increase in the average daily trading value.

- ENDS -

About Saudi Tadawul Group

Saudi Tadawul Group, a leading diversified capital markets group in the MENA region, is a holding company with a portfolio of four wholly owned integrated subsidiaries: the Saudi Exchange, one of the largest stock exchanges in the world by market capitalization, the Securities Depository Center Company (Edaa), the Securities Clearing Center Company (Muqassa) and Tadawul Advanced Solutions Company (WAMID), an innovative technology solutions company. In addition, the Group owns a 33.12% stake in Tadawul Real Estate Company (TREC), a company operating in the field of real estate management and development. The Company was established as a Saudi closed joint stock company with a share capital of SAR 1,200,000,000 divided into 120,000,000 shares, all of equal value, with a nominal value of SAR 10 per share.

The Group maintains a diversified business model that is integrated across all the relevant business lines, which allows the Company to offer a full array of capital markets related products and services. It has strong strategic and competitive positioning supported by its scale, growth profile, and position at the heart of a large-scale economic transformation agenda. The operational independence of each subsidiary promotes an agile environment which supports growth and innovation and enables rapid responses to evolving global and regional market trends. The Group is the foundational pillar for the delivery of the Financial Sector Development Program (FSDP) which has the stated goal of developing an advanced capital market to support the broader realization of Vision 2030.

Investor Relations Enquiries

Saudi Tadawul Group Holding Co.

Tel: (+966) 920013130

Email: Investorrelations@tadawulgroup.sa

P.O. Box 12211-3388

Address: 6897 King Fahd Road – Al Ulaya,
Riyadh, Kingdom of Saudi Arabia

www.tadawulgroup.sa



Disclaimer

All information included in this document is for general use only and has not been independently verified, nor does it constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation or recommendation to buy or subscribe for any securities in the Kingdom of Saudi Arabia, or an offer or invitation or recommendation in respect of buying, holding or selling any securities of the “Group”.

The “Group” does not warranty, express or implied, is made, and no reliance should be placed by any person or any legal entity for any purpose on the information and opinions contained in this document, or its fairness, accuracy, completeness or correctness.

This document may include statements that are, or may be deemed to be, “forward-looking statements” with respect to the Company’s financial position, results of operations and business. Information on the Company’s plans, intentions, expectations, assumptions, goals and beliefs are for general update only and do not constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation or recommendation to buy or subscribe for any securities in any jurisdiction, or an offer or invitation or recommendation in respect of buying, holding or selling any securities of the “Group”.