

مجموعة تداول السعودية
Saudi Tadawul Group

التقرير السنوي
Annual Report

2022



"OUR NATION HOLDS STRONG INVESTMENT CAPABILITIES, WHICH WE WILL HARNESS TO STIMULATE OUR ECONOMY AND DIVERSIFY OUR REVENUES. OUR UNIQUE STRATEGIC LOCATION INTO A GLOBAL HUB CONNECTING THREE CONTINENTS, ASIA, EUROPE AND AFRICA. OUR GEOGRAPHIC POSITION BETWEEN KEY GLOBAL WATERWAYS, MAKES THE KINGDOM OF SAUDI ARABIA AN EPICENTER OF TRADE AND THE GATEWAY TO THE WORLD."

"OUR COUNTRY IS WITNESSING COMPREHENSIVE AND SUSTAINABLE DEVELOPMENT AND IS NOW IN THE SECOND PHASE OF VISION 2030. THIS PHASE TARGETS DEVELOPING NEW AND PROMISING SECTORS, SUPPORTING LOCAL CONTENT, IMPROVING THE BUSINESS ENVIRONMENT, EMPOWERING CITIZENS AND THE PRIVATE SECTOR, AND IMPROVING IMPLEMENTATION EFFICIENCY TO MEET OUR DEAR NATION'S EXPECTATIONS AND ASPIRATIONS."

HIS ROYAL HIGHNESS MOHAMMED BIN SALMAN
Crown Prince, Prime Minister, Chairman of the
Council of Economic and Development Affairs

KING SALMAN BIN ABDULAZIZ AL-SAUD
Custodian of the Two Holy Mosques

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ABOUT THIS REPORT

REPORTING PERIOD AND BOUNDARY

This Annual Report is focused on the 12-month period from 1 January 2022 to 31 December 2022, which is consistent with the conventional annual reporting cycle followed in 2021. The Report covers the financial and operational aspects of the Saudi Tadawul Group, formerly known as the Saudi Stock Exchange (Tadawul), including its four subsidiaries; The Saudi Exchange (Tadawul), the Securities Depository Center Company (Edaa), the Securities Clearing Center Company (Muqassa) and the Tadawul Advanced Solutions Company (WAMID). The Report has been issued in both Arabic and English, and in the event of any discrepancy the Arabic version shall prevail.

REPORT PREPARATION

In preparing this Report, the following framework and standards were consulted for guidance:

- The International Integrated Reporting Framework issued by International Financial Reporting Standards (IFRS) Foundation
- The Capital Market Authority
- The Saudi Exchange ESG Disclosure Guidelines
- The Global Reporting Initiative (GRI) Standards.

REPORTING CHANNELS

Our Annual Report 2022 is being released in multiple digital mediums and formats simultaneously for the fourth consecutive year to effectively meet the diverse interests of our different stakeholder groups.



PRINT/PDF VERSION

The PDF version of our Report comprises our statutory annual report, which may be downloaded from our website.



HTML VERSION

The end-to-end interactive online HTML version of our Report is identical to the PDF version, while it includes features for ease of finding, extracting, and sharing information.



<https://annualreport.tadawulgroup.sa/Resources/AnnualReport2022/>



EXECUTIVE SUMMARY

The executive summary of the Report in both PDF and video formats is made available as an abridged overview for interested stakeholders, and for sharing information through social media.

ASSERTING OUR GUIDING PRINCIPLES:
From Our Chairperson

“
 Heading into 2023, our focus remains on achieving the goals of the Financial Sector Development Program and realizing Vision 2030. We aim to develop an advanced capital market and solidify its position as an attractive investment destination that connects the East and West.
 ”



ASSERTING OUR GUIDING PRINCIPLES:
From Our Chairperson

Driven by our strategy, we have launched new products, significantly enhanced our infrastructure, and strengthened partnerships within the Kingdom and beyond.

The year 2022 was a continuation of the success and achievements of 2021, as we entered a new phase aimed at expanding growth opportunities at all levels. Following the IPO of the Saudi Tadawul Group, our strategy focused on unleashing the potential of the group, whether in terms of overall performance or for each of its subsidiaries.

Driven by our strategy, we have launched new products, significantly enhanced our infrastructure, and strengthened partnerships within the Kingdom and beyond, which in turn will enhance the Group's competitiveness to acts as an investment hub between the East and West, as the Group is one of the main enabling factors for the Saudi economy and the main pillar for implementing the financial sector development program under vision 2030.

During 2022, the Group has enhanced the overall accessibility of investors and issuers to the region's largest exchange, making the Saudi Exchange an attractive destination to list and access to the capital, and consolidates the position of the Saudi capital market among the best-performing listing markets.

This year has also been a record year for IPOs, positioning Saudi capital market as an important platform for accessing capital regionally and internationally. We have seen a significant increase in the number of listings across the Main and Parallel markets this year, including the Kingdom's first dual listing.

All of which make the Saudi capital market more diverse, resilient, and globally appealing. The achievements of this year contribute to our longterm strategy of growth and facilitating interconnectivity with other financial markets around the world.

As Saudi Tadawul Group is central to the transformation of Saudi Arabia's economy, we are committed to enabling sustainable growth, both as a Group and within our market. In 2022, we forged partnerships with local & international entities to further support gender diversity and promote financial literacy and encouraging sustainable business practices, as we grow our capital market and expand our asset classes.

In addition, we launched the Regional Voluntary Carbon Market Company in collaboration with the Public Investment Fund (PIF) announced the establishment of the Regional Voluntary Carbon Market Company, to support businesses and industries in the region as they play their part in the global transition to net zero.

As a result of the cumulative efforts, the Group achieved a net profit after Zakat of SAR 424.6 Mn, driven by our strategic investments in infrastructure for the trade and post trade enhancements and encourage listings. Based on this financial performance, the Group's Board of Directors proposed a 23.1% cash dividend (SAR 2.31 per share) for 2022, with a total of SAR 277.1 Mn scheduled to be distributed in 2023.

Heading into 2023, our focus remains on achieving the goals of the Financial Sector Development Program and realizing Vision 2030. We aim to develop an advanced capital market and solidify its position as an attractive investment destination that connects the East and West.

I would like to thank our leaders, 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 of Saudi Arabia. They have inspired us to reach new heights as we strive to accomplish the goals set out in Vision 2030.

I also express my gratitude to our Board of Directors, Executive team, and the Group employees for their contribution to the achievements of this year. I thank our shareholders, issuers, investors, brokers, custodians, and service providers for elevating the Saudi capital market to new heights and supporting our journey, and I look forward to working together further to deliver a bright future as a leading global capital market group.

Sarah Al-Suhaimi
 Chairperson

SECURE PRINCIPLES IN GROUP LEADERSHIP:
From Our Group Chief Executive Officer



In our first year as a listed company, we succeeded in boosting listing activities and hosting a diverse group of issuers and investors, at a time when other global markets witnessed a significant slowdown.



SECURE PRINCIPLES IN GROUP LEADERSHIP:
From Our Group Chief Executive Officer

RECORD YEAR OF LISTINGS AND ENHANCEMENTS

In 2022, we worked to enhance the infrastructure of the Saudi capital market to host a diverse range of issuers and investors. This is evidenced by the strong IPO activity we witnessed, firmly placing the Saudi capital market among the top performing IPO markets in the world.

The Saudi Exchange welcomed the highest number of listings in the Middle East in 2022 with a record-setting 51 listings, raising a total value of SAR 40.8 Bn (USD 10.8 Bn) in capital, of the 51 listings, 19 were in the Main Market, and 32 in the Nomu – Parallel Market.

Through the Group's integrated business model, we were able to harness the power of connection to deliver significant enhancements and create new opportunities within the Saudi capital market.

The continuous growth of the Nomu – Parallel Market is testament to the development of the SME sector in the Kingdom, as many fast-growing companies seek to sustain their businesses, enhance governance by listing on Saudi Exchange.

The Saudi capital market is the home of the region's largest and most successful companies. In 2022, the Saudi capital market succeeded in completing its first dual listing, between

the Saudi Exchange and Abu Dhabi Securities Exchange, underpinned by a strengthened regulatory environment to promote further international and dynamic transactions.

The first dual listing marks a new era of collaboration between Saudi Arabia and international exchanges. Through the year, we continued to collaborate with regional and international exchanges to lay the groundwork for future cross listings.

As a part of Saudi Tadawul Group's efforts to develop the Saudi capital market and reinforce its position as a globally attractive investment destination, the Group successfully implemented a bundle of enhancements to develop the post trade infrastructure of the Saudi capital market. These enhancements are the largest in the history of the Saudi capital market and intend to provide investors with increased investment opportunities and access to a diverse range of financial instruments and new products.

As a result of these enhancements, our subsidiary "Muqassa" was fully activated in April 2022, which will further develop the capital market infrastructure, increase its operational efficiency, and facilitate the introduction of new products and services in the market.

In the second half of 2022, the Saudi Exchange launched its second derivatives product, single stock futures contracts (SSFs). SSFs further bolster the Saudi Exchange's series of derivative products that will enable local and international investors to hedge and manage risk more effectively while diversifying the products available on the market, ultimately enhancing liquidity. This was followed in December with the launch of a market making framework for both the equity and derivatives markets, to deepen order book liquidity and increase price formation efficiency in the Saudi capital market.

SECURE PRINCIPLES IN GROUP LEADERSHIP:
From Our Group Chief Executive Officer

GROWTH PILLAR

In line with our commitment to growth and diversification, Wamid – the Saudi Tadawul Group’s innovation arm, signed a sale and purchase agreement with National Two Ventures Sole Shareholder to acquire a 51% stake in DirectFN, a leading provider of technology solutions in the financial markets.

This agreement is a significant step that demonstrates the Group’s strategy of growth and diversification, and its intention to introduce innovative products and services for investors and issuers alike.

The acquisition will play a crucial role in the development of the Saudi capital market, by allowing Wamid to provide a variety of services to clients looking to leverage the power of data in decision-making, while strengthening the groundwork for further expansion into regional markets.

RESILIENT FINANCIAL PERFORMANCE

In a year marked by volatility in global financial markets, the Group delivered resilient results, achieving a net profit after Zakat of SAR 424.6 Mn. at the end of the financial year 2022.

We continued to invest in the development of our infrastructure and service offering, and strategically increased our headcount as per the Group’s plan to match our pace of growth.

Our strategic investments in infrastructure enhancements and technology resulted in a 15.8% year-on-year increase in listing fees revenue to SAR 93.2 Mn due to the increase in the number and size of listings. Revenues of the Group’s data and technology services segment increased by 7.4%

year-on-year, driven primarily by the new co-location services offered by WAMID.

With the Kingdom’s promising economic forecast and solid expansion of non-oil activities, we expect to achieve more bullish expansion in 2023.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

We firmly believe that working towards sustainability create competitive advantages and business benefits in the long run. We aim to be among the world’s top capital markets through achieving world-class environmental, social and governance (ESG) performance on our internal priority measures, working with our issuers to aggressively adopt ESG management and disclosures and continuously improve performance, and encouraging our market investors to incorporate ESG into their investment decision-making, and finally accelerating the market shift towards sustainability through an expanding range of our sustainability-related product offerings.

We carried out several initiatives throughout the year to drive our ESG agenda forward, ranging from gender equality to promoting financial literacy and furthering education. We remain committed to the empowerment of women in the workforce and our progress on this front remained strong. The proportion of women employees increased to 27% in 2022, with 11% of executive positions at the Saudi Tadawul Group now held by women.

Our Graduate Development Program (GDP), now in its 11th batch, continued to build future capital market leaders by attracting, developing and retaining young, ambitious Saudi talent with unrivalled opportunities including on-the-job training and engagement with leaders across the Group.

In addition, this year, in collaboration with the Public Investment Fund (PIF), we established the Regional Voluntary Carbon Market Company. The new company provides guidance and resources to businesses as they play their part in the global transition to net zero, ensuring that carbon purchases go above and beyond meaningful reductions in carbon emissions. The Company’s launch was pivotal in facilitating the world’s largest-carbon credit auction, which was successfully held in Riyadh in October.

LOOKING AHEAD

Saudi Tadawul Group is a key enabler of the Financial Sector Development Program under Vision 2030. Our focus will always remain on delivering sustainable value to our shareholders, while driving the long-term advancement of the Saudi capital market.

Looking ahead to 2023 and beyond, our goal will be to build on our successes and further the economic development of the Kingdom, as we work to establish Saudi Arabia as a global financial hub. Our journey is only just beginning, and I look forward to what is to come.

Finally, I would like to thank our Chairperson and Board of Directors for their support and guidance, and our employees for their dedication to excellence.

Eng. Khalid Al-Hussan

Group Chief Executive Officer,
Member of the Board of Directors

UNWAVERING FINANCIAL PRINCIPLES,
AND CONTINUING ACHIEVEMENT:
From Our Chief Financial Officer

“Saudi Tadawul Group achieved a number of significant market developments in 2022, here is an overview of our financial and strategic achievements for the 2022.”

Shahrukh Qureshi
Group Chief Financial Officer



The Group achieved a strong financial results driven by our key objectives for 2022, in a year full of challenges and fluctuations on the economic front, in addition to the volatility in the market. Against this background, there are many things that we are always keen to review in order to improve the Group’s positioning, financial performance and other related developments.

We strive to achieve our goals and achievements in parallel, adding momentum to year-on-year Group’s growth and performance. Post our IPO, the Group embarked to implement its diversification strategy, one which continued its development and roll-out during 2022.

In overview concerning our Finance Division, since the formation of the Group we have significantly expanded our role and capacity in support of our Group and its subsidiaries growth, while also maintaining strong focus on our core products and services.

A key development in our role, is the adoption of an increasingly outward looking operation, as the Saudi capital market has achieved many successes in line with Vision 2030. We seek to be as transparent and share information of the highest quality, as per this report. Our Group remains a key contributor to the sustainable development of the Kingdom.

PERFORMANCE IN CONTEXT

Global markets experienced varying intensities of turbulence as a result of rising inflationary pressures and responses, compounded by economic instabilities during 2022. While the Tadawul All Share Index (TASI) gained during seven months in 2022 and registered a strong 16% gain in the first quarter of the year, these uncertainties of a global recession among other events resulted in the index declining during five months, ending 2022 with a YoY decline of 7.1%.

Impacted by this mixed performance of the capital market, the Saudi Tadawul Group registered a net income after Zakat of SAR 424.6 Mn, with a year-on-year decrease of 27.8%, mainly driven by the decrease in operating revenue by 8.1% YoY reaching SAR 1,071.4 Mn in FY 2022, predominantly due to the decrease in equity trading and related post trade revenues driven by the decrease in trading values which contracted by 23.0%, as almost 62% of our revenue is linked with market trading activity. In addition, the operating expenditures increased 16.6% YoY reaching SAR 644.3 Mn in the FY 2022, due to the increase in the manpower costs, the largest cost item, driven by the increase in headcount as per the Group’s expansion plan.

UNWAVERING FINANCIAL PRINCIPLES,
CONTINUING ACHIEVEMENT:
From Our Chief Financial Officer

Our efforts towards diversification of revenue base has started to show progress, as almost 38% of our revenue is now not linked with market trading activity and these products and services have registered growth YoY despite market trading activity contraction.

We continue to introduce new and well-founded products that increasingly contribute towards stabilizing strong revenue streams, and enhancing Group growth.

activities, implementing a range of new software enhancements that will streamline and expand our financial management tools and capability.

During the Q4 2022, WAMID signed a sale and purchase agreement with National Two Ventures Sole Shareholder to acquire 51% shares in Direct Financial Network Company (DirectFN) in the value of SAR 133,9 Mn, as part of its growth strategy.

The activation of colocation services at the beginning of the year has been another significant innovation, further expanding and enhancing growth opportunities for the Exchange and our Group.

Our Finance Division is closely working together with subsidiaries and divisions in supporting corporate strategy implementation.

Finally, I would like to thank our Chairperson, Board of Directors and Group CEO for their support and guidance. I would also like to thank our shareholders for their valuable confidence in Saudi Tadawul Group.

Our Security Clearing subsidiary Muqassa introduced clearing services in April, as part of our ongoing efforts to accommodate the evolving needs of investors, we have also embarked on optimized automation of our operating

FINANCIAL REVIEW/KEY RATIOS

Year ended 31 December	2022 SAR Mn	2021 SAR Mn
Trading revenues	666.5	810.5
Non-trading revenues	405.0	355.5
Operating revenues	1,071.4	1,166.1
Opex	644.3	552.5
EBITDA	490.3	670.6
EBITDA margin (%)	46	58
Net income after Zakat	424.6	587.7
Net income margin (%)	40	50
Earnings per share (SAR)	3.54	4.90

UNWAVERING FINANCIAL PRINCIPLES,
CONTINUING ACHIEVEMENT:
From Our Chief Financial Officer

PROFIT AND LOSS SNAPSHOT

Year ended 31 December	2022 SAR Mn	2021 SAR Mn	YoY Change (%)
Operating revenues	1,071.4	1,166.1	-8.1
Operating expenses	581.1	495.5	17.3
EBITDA	490.3	670.6	-26.9
EBITDA margin (%)	46	58	
Depreciation and amortization	63.2	57.0	10.8
EBIT	427.1	613.6	-30.4
EBIT margin (%)	40	53	
Investment income and other income	75.1	43.6	72.1
Loss from associates	(9.9)	(3.3)	202.5
Zakat	67.7	66.2	2.2
Net profit after Zakat	424.6	587.7	-27.8
Net profit margin (%)	40	50	
Earnings per share (SAR)	3.54	4.90	

FINANCIAL POSITION SNAPSHOT

Year ended 31 December	2022 SAR Mn	2021 SAR Mn	YoY Change (%)
Cash and cash equivalents	2,118.8	86.2	2358.1
Investments	674.4	2,687.0	-74.9
Other assets	4,896.8	770.1	535.8
Total assets	7,690.0	3,543.3	117.0
Total liabilities	4,510.4	450.9	900.3
Total equity	3,179.7	3,092.4	2.8

The Group at a Glance

Saudi Tadawul Group leads, and operates within a diversified business model comprising four subsidiary companies.

The Group and its subsidiaries are bonded in pursuit of Strategic objectives, in tandem with the overarching objectives of the Kingdom's Vision 2030.

Our structure aligns the needs of independent sector-focused operations with the leadership of a proven cross-functional team, and the support of centrally shared resources. The Group acts as an interdependent whole across all relevant operational sectors, guiding and supporting subsidiary companies in their provision and further development of a full array of capital-market-related products and services.

VISION

TO BE A WORLD LEADING HOLDING GROUP FOSTERING THE DEVELOPMENT OF A DIVERSE SAUDI CAPITAL MARKET, AND A BRIDGE BETWEEN GLOBAL INVESTORS AND REGIONAL ECONOMIES.

MISSION

AS PART OF ITS 2030 VISION, SAUDI TADAWUL GROUP IS HELPING THE KINGDOM BUILD A THRIVING ECONOMY WITH A TECHNOLOGICALLY ADVANCED AND INTEGRATED CAPITAL MARKET AT ITS CENTER.

مجموعة تداول السعودية Saudi Tadawul Group

SAUDI TADAWUL GROUP HOLDING COMPANY
(LISTED COMPANY)



The Exchange conducts listing and trading in securities for local and international investors. The Exchange is instrumental to achieving the long-term growth plans for the Group and providing market participants with attractive and diversified investment opportunities.

Edaa aims to achieve the strategic objectives of the financial market in terms of developing the infrastructure and implementing the resulting procedures to execute transactions in line with international standards. It also aims to enhance the efficiency of services related to securities deposit and ownership registration by developing a more streamlined environment that promotes excellence in all sectors related to the financial market.

Muqassa is a key pillar of Saudi Arabia's Financial Sector Development Program 2020 (FSDP). Muqassa plays a significant role in developing market infrastructure to enhance market efficiency and is essential for the development of new products and services in the Saudi capital markets.

WAMID is an innovation-focused company helping market players solve real-world challenges. Its unlimited potential will unlock the power of technology and data in the Saudi capital market, boost economic growth and contribute to the success of Vision 2030.

Our first consideration remains with our stakeholders, those who share in our vision, work with or alongside us, and participate in our achievements. In all such relationships and engagements, we seek to create strong and extended relationships to achieve a comprehensive results and achieve the Kingdom's ambitious vision 2030.

Stakeholder Group	Engagement Channels
 <p>SHAREHOLDERS</p> <p>The Group is considered as a long-term extremely attractive regional investment opportunity.</p>	<p>Investor relations, earnings call, road shows and conferences, audited financial statements, website, social media channels, annual reports, and General Assembly Meetings.</p>
 <p>REGULATOR</p> <p>The Saudi Tadawul Group is a partly self-regulating organization since 2018, but the Capital Market Authority (CMA) also exercises a degree of regulatory oversight. CMA regulations and oversight ensure that the market functions smoothly, transparently, and ethically. This enables the seamless and efficient functioning of the market and imparts a sense of trust and confidence among market participants.</p>	<p>Governance, directives, reports, audited financial statements, annual reports, and meetings.</p>
 <p>EMPLOYEES</p> <p>The nature of our operations requires professionals of the highest caliber, and our employees are the engine of our success. As such, creating an environment in which they can perform and thrive is paramount. We solicit feedback and engagement with our people regularly on the issues that matter to them, such as fulfilling and meaningful work, productive and motivating working conditions, and pathways to professional development and advancement.</p>	<p>Review meetings, town hall meetings, performance management system, website, training programs social media channels, and other internally-focused activities.</p>
 <p>MEDIA</p> <p>National, regional and global business media pay close attention to the Group and our activities. We seek to support and further their interest and understanding via all available, we seek the highest degree of accuracy, timeliness, and clarity.</p>	<p>Press releases, interviews, television programs and social media channels.</p>

Stakeholder Group	Engagement Channels
 <p>COMMUNITY</p> <p>In our foundational principles and the economic growth resulting from our core operational activities, the Group seeks to contribute to determined and substantive national and community outcomes. In the forefront of these are our role in Vision 2030 and our numerous ESG engagements.</p>	<p>Media coverage, press releases, TV programs, social media channels, and community contribution activities.</p>
 <p>INVESTORS</p> <p>Our investors are entities and individuals comprising Saudi nationals and foreigners – who buy and sell securities in the Exchange. We, in turn, are committed to ensure that the market functions smoothly and efficiently, that risks in trading are well-managed, and that accurate and timely market information and data is made available.</p>	<p>Statistical reports, annual reports, press releases, website, roadshows, social media, and contact center.</p>
 <p>MARKET PARTICIPANTS</p> <p>Brokerage firms conducting transactions in the market on behalf of investors need certainty and reliability in data and in its communication, expectations which we aim to meet and exceed continuously.</p>	<p>Statistical reports, notifications, website, workshops, meetings, and e-meetings.</p>
 <p>INTERNAL BUSINESS PARTNERS</p> <p>All the subsidiaries have to closely interact with each other and with STG in the course of performing their functions and seamless communication is needed for efficiency</p>	<p>Meetings, committees, and emails.</p>
 <p>EXTERNAL BUSINESS PARTNERS</p> <p>The Group and its subsidiaries have MOUs and many other direct relationships and engagements with the external world. Parties include regional and global exchanges (facilitating foreign investor activities), Securities Depository Centers (SDCs), Central Counter-parties (CCPs), Government entities, NGOs and universities.</p>	<p>MOUs, meetings, e-meetings, email, and reports.</p>
 <p>ISSUERS</p> <p>The corporates and other entities (including the Government) issuing securities of any kind such as shares, bonds, REITs and Exchange Traded Funds (ETFs), that are traded on the Exchange are considered issuers, whose interests are served to recognized exceptional standards.</p>	<p>Notifications, road shows, relationship managers, website, social media, workshops, meetings, and e-meetings.</p>
 <p>DATA VENDORS AND INDEX PROVIDERS</p> <p>We engage readily and continuously with external parties licensed to provide information to market participants, ensuring the utmost accuracy and timeliness in market information and customized indices.</p>	<p>Corporate disclosures, websites, press releases, emails, and meetings.</p>

Our Journey



Highlights of the Year



SAR 1,071.4 Mn Operating Revenue 8.1% ↘ YoY	SAR 74.4 Mn Investment Income 84.1% ↗ YoY	SAR 2.31 Dividend per Share (DPS) 23.0% ↘ YoY
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SAR 490.3 Mn EBITDA 26.9% ↘ YoY	SAR 440.8 Mn Free Cash Flow 25.9% ↘ YoY	SAR 424.6 Mn Net Profit after Zakat 27.8% ↘ YoY
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OUTSTANDING PERFORMANCE, REFLECTING OUR RESILIENT BUSINESS MODEL:

The world in 2022 has witnessed challenges and economic fluctuations, and there are still many challenges that, many of them continuing. Through this context, we at Saudi Tadawul Group working to overcome them and achieve growth.

Our strategic principles and aspirations are the main driver for achieving our goals, adopting and following, and constantly focus on achieving them.

With our core value and principles as a bedrock, we manage change to our advantage.

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51

New listings, the highest in the Middle East
Including Main Market, Nomu – Parallel Market, Sukuk and REITs

19

Main Market listings

27%

Female workforce

32

Nomu-Parallel Market listings

269

Total listed entities
(including REITs)

251

Meetings conducted with the investment community

9th

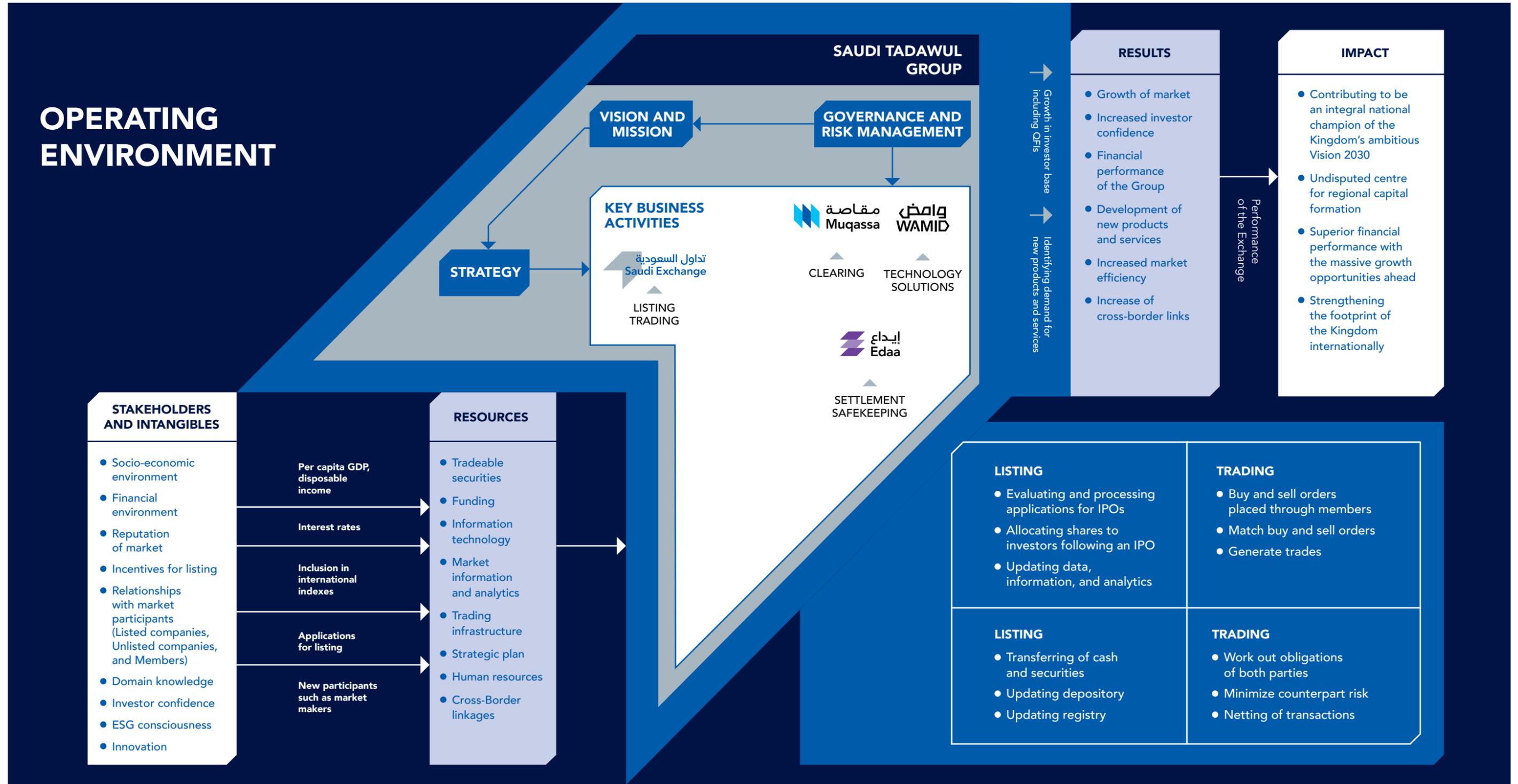
Largest Stock Exchange Globally, by Market Capitalization

SAR 133.9 Mn

Invested to acquire 51% shares in DirectFN

OPERATIONAL HIGHLIGHTS

- 1st successful and remarkable Dual Listing between the Saudi Exchange and Abu Dhabi Securities Exchange
- Launched 2nd derivatives product; Single Stock Futures Contracts
- Completed the largest in the history enhancements Post-Trade Technology Program
- Established the Regional Voluntary Carbon Market in participation with the Public Investment Fund (PIF).
- Launched the Market Making Framework for Equity and Derivatives Markets



Our Group strategy is growth-oriented and has two horizons. The first is domestically and regionally focused, where we will continue to develop the region's largest capital market and foster the financial ecosystem as we deliver on our commitments to Vision 2030. The second is global, where we will pursue a program of self-deterministic expansion to become a global leader, positioned as a pivot between east and west.

One year into our successful IPO, we are moving steadily from a position of regional leadership towards global significance. Aligned with this vision was the achievement of a number of key strategic objectives during 2022, including the highly anticipated debut of our first concurrent IPO and dual listing. This achievement strengthened our position as an emerging integrated market with high liquidity and market capitalization opportunities, encouraging and increasing foreign participation in line with Vision 2030. Other major achievements 2022 saw a number of new frameworks, systems and regulatory advancements across the Group, including the largest series of post trade infrastructure enhancements in the history of the Saudi capital market.

Our continued focus in the period ahead too, will be to significantly expand our footprint, diversify our revenue streams, and capture material shareholder value. We continue to develop our existing regionally-focused franchises, fueled by economic transformation in the Kingdom and its associated market expansion. In parallel, we will pursue self-deterministic global development initiatives and mutually beneficial partnerships to deliver breakthrough growth and expansion on the international stage.

Crucial to our central strategic purpose and its unfolding is the alignment of the strategies pursued within our subsidiary companies with the overall intentions of the Group. While benefitting from agility and autonomy within the structure of the Group, each subsidiary has a clear understanding of how it contributes to measurable achievements by the whole, and, we seek to identify and employ every synergy of value to that direction.

The execution of strategy, of course, requires stringent focus on purposeful KPIs, with a primary emphasis on revenue growth and net profitability. As a public company, our investors expect nothing less. And such unremitting focus also drives internal efficiency, effectiveness and economy throughout the Group.

As we make strides on our growth ambitions, we have also moved sustainability to the center of our agenda. Indeed, in today's context, no credible strategy can overlook or discount sustainability. In our case, we have the benefit of specific intents, actions and capabilities aligned with those of the Kingdom's Vision 2030. While our actions in support of sustainability join with those of others in global impact, they are central to the

needs of the Kingdom and the region. This focus will doubtless be of increasing importance as we look to the future, and specifically to our role in Vision 2030 and beyond.

In summary, we will transform into a position of global leadership; significantly expanding our footprint and business mix, diversifying our revenue streams, and delivering material shareholder value, whilst honoring our obligations to Vision 2030.

Having transitioned from a joint stock company to a holding company, there have been changes in corporate governance requirements at Saudi Tadawul Group, best seen in terms of renewed structural alignments, reporting lines and strategic orientation. As a matter of unwavering professional principle, we continued to determinedly follow standards applicable to a listed entity while carrying out all necessary transformations.

Among the key structural changes introduced were internal audit charters for the Group and subsidiary audit committees, each in line with governance requirements. In our renewed Group structure, four new Audit Committees have been formed (one for each subsidiary), with Internal Audit (IA) mandated to cater to the audit needs of all new committees and subsidiaries. Our total operations thus comprise five such committees, and we have updated our activity range accordingly. A minimum of four individual Audit Committee meetings are convened each year according to an annual schedule, with further meetings called when necessary. Audit dashboards are updated and shared accordingly.

PRECISION IN PLANNING

In order to provide an independent assurance that the organization's risk management, governance and internal control processes are operating effectively, IA performs a structured, annual analysis to identify risks by assessing all new and existing processes, systems and functions across each subsidiary as well as the Group as a whole. This driving practice in our IA function is the Annual Audit Plan (AAP). Existing processes, systems

and functions are assessed against their associated risk rating, while new processes, systems and functions are included in the subsequent year's assessment.

Each subsidiary's Annual Audit Plan is formulated by taking into consideration the individually expressed strategic direction of each entity, as well as new regulations that were introduced in terms of stronger governance following the formation of our Group.



PROACTIVE AND RESPONSIVE

A new audit area was created for investor relations at Group level, among other similar developments across internal divisional structures, processes and systems. As risk appetite increased with such developments, and processes and controls were changed. All changes remained within our focus, and were stringently audited.

A total 29 audits were completed with many of the major systems, processes and functions of the Group and its subsidiaries successfully audited by the end of the fourth quarter of 2022. This included comprehensive technical audits of the Saudi Exchange trading platform X-Stream as well as its derivatives system following the thorough audit of derivatives operation conducted in 2021. The audit of the Issuer's disclosure system IFSAH was also successfully completed.

IA is directly focused on constantly enhancing Group-wide competencies to meet the technical needs and demands that ensure benchmarked auditing standards.

Across the subsidiaries, audits were successfully carried out on both Fixed Income and Structured Products of the Saudi Exchange, the Venture Development function at WAMID, and the Sales and Client Relations function at Muqassa.

With audit findings and their resulting corrective measures leading to upgrades and improvements, all IA recommendations are implemented by the Group and its subsidiaries. Once implemented, follow-up observations of the implementations are carried out, ensuring its adequacy. These observations are tracked centrally, with quarterly reports issued along the relevant reporting lines on the number of observations that were closed and verified, those still under verification, and observations that were reopened due to inadequacies.

Due to the evolving nature of our audit function alongside the strategic development of the Group and its subsidiaries, IA is directly focused on constantly enhancing Group-wide competencies to meet the technical needs and demands that ensure benchmarked auditing standards. The IA Division works closely with Group Human Resources, paying specific attention to bridging skill gaps according to advancing IA needs through in-house trainings as well as guest lectures by external experts in the auditing sphere.

IA also keeps in close focus the risk and control self-assessment formulated by the Enterprise Risk Management (ERM) team, and works closely with them to provide objective assurance to the Board on the effectiveness of risk management and the ERM framework as a whole.

FUTURE OUTLOOK

In the fourth quarter of 2022, IA concluded the risk assessment and planning exercise for the 2023 Financial Year for the Group and its subsidiaries, with the draft plans discussed and approved by relevant Executive Management Committees and CEOs. These approved Annual Audit Plans will be shared by IA with the Audit Committees for their review and approval, following which the scheduled audits will commence in 2023.

Key among them is a comprehensive audit of the new, state-of-the-art Central Securities Depository system "NCSD", which replaced "Equator" - the previous clearing and settlement system.

Regulatory Oversight and Authorization

Regulation and oversight is designed to address any irregularities of information between all counterparties to transactions, and ensures smooth functioning of trading and clearing across markets, fostering strong investor confidence.

CONTROL UPDATES

During 2022, the The Regulatory Oversight and Authorization Division strengthened its oversight role, following the internally designed risk-based approach to conduct supervisory activities based on key risk indicators related to members' processes. The Division conducted full cyclic, thematic, adhoc as well as scheduled supervisory inspections. A total of 22 member inspections were completed in 2022, while a circulars portal exclusively accessible for members was also launched to encourage greater adherence. The Regulatory Policy and Oversight Committee (RPOC) approved nine memberships during 2022, along with 44 new traders.

Additionally, as part of the Division's role in developing an evolving regulatory authority matrix and compliance grid to identify authorities, obligations, and responsibilities entrusted to the subsidiaries, a total of 17 regulations, rules, and procedures were comprehensively reviewed during 2022. The Division also carried out two inspections across two subsidiaries to ensure their compliance against market and centre rules and regulations.

In order to minimize the impact of external changes and developments on our operations, the Capital Market Authority (CMA) introduced new

regulations for dispute resolution in its capacity to exercise a degree of regulatory oversight on the Group. These new regulations are being adhered to by the Group and its subsidiaries under the guidance of both the Regulatory Oversight and Authorization as well as Legal Division.

While the introduction of derivatives required no change to regulatory procedures with the product being added seamlessly to our services, the derivative membership introduced to the onboarding process required the amendment of certain internal procedures, which were carried out accordingly.

The Division kept a close eye on all matters of regulatory violations, with a few isolated incidents requiring immediate intervention. These violations required serious discussions, written justifications and letters from members, with the Division conducting adhoc inspections as well as scheduled meetings and sessions to assess and mitigate other resulting and related concerns stemming from said incidents.

Other violations such as announcement time and forms, and technical failures and dis-connectivity were reported during 2022, and addressed without major incident.

Listing Rules were amended in December 2022 with the approval of the CMA in regard to transfers from the Main Market to the Nomu-Parallel Market, with the division raising recommendations for approvals of over 100 requests by the end of 2022, out of which 19 were new listing applications to the Main Market, and 67 were applications to the Parallel Market. A total of 13 direct listing applications to the Nomu-Parallel Market were approved by the RPOC. Notably, over 10,000 Issuers' announcements were reviewed by the Division during 2022.

2023 AND BEYOND

The Regulatory Oversight and Authorization Division will continue to be engaged in assessing, developing and sharpening regulatory frameworks in 2023 to ensure the Saudi market is more transparent, efficient and appealing to investors and issuers.

During 2022, The ROAD initiated the development of three advanced systems for issuers' oversight, members' authorizations, and members' oversight, automating end-to-end procedures from application to approvals. These systems are scheduled to go live in 2023, greatly benefitting issuers and members while radically enhancing control and governance activities.

The Saudi Tadawul Group has in place a systematic and integrated risk structure and methodology to ensure our preparedness to mitigate a broad range of existing and emerging risks with potential to impact our operations, systems and stakeholders.

FACING FORWARD

Risk and Security Division remained responsible for approving, developing and enhancing standards and requirements for information security and business continuity during 2022, reflecting changes in market conditions as well as the Group's evolving activities. It is also accountable for raising the level of awareness of risks and security across the Group as well as among our stakeholders.

As part of our Enterprise Risk Management (ERM) role, we have seamlessly integrated added responsibilities and continued to comply with new regulations resulting from the IPO during 2022. The Division's ERM procedures and tools – which are reviewed and updated regularly – identify and address any emerging risks that might arise as result of our structural transformation. Additionally, our Business Continuity Management (BCM) function continuously monitors new Group responsibilities and functionality to identify potential threats, thereby establishing and monitoring a number of activities to enhance relevant resiliency.

The Risk and Security Division is also tasked with identifying emerging and probable risks that could impact the many new, diverse business operations, products and services offered by the Group and its differing subsidiaries.

Such identified risks are logged in a constantly updated risk register, which acts as a risk management tool and a repository of information for regulatory compliance, with recorded details on nature of the risk, ownership, mitigation measures and other controls implemented. As a result, key risk indicators continue to be identified, with monitoring processes defined and implemented across the Group. Timely, scheduled and non-scheduled testing across different risk segments are carried out to ensure such risks are mitigated.

DETERMINED DEFENSES

The widespread adoption of technology and digitalization post-pandemic has also seen a shift in demand for increased data privacy and cybersecurity, given the increased and very real possibility of cybercrime. As one of the risks we are most conscious of, it forms a particular challenge, requiring both intense vigilance and proactive action. Our controls in this dimension are comprehensive, sharply focused and constantly updated, ensuring a proactive and precise response to threats that may emerge within and outside our cyberspace.

We adhere to cybersecurity best practices, continually reviewing cybersecurity controls and effectiveness, monitoring all cybersecurity-related activities and events to ensure exact,

effective handling of any cybersecurity threat. Our process is one of constant technological enhancement, extending our suite of cybersecurity controls to anticipate and keep up with all new threats, aware of the increased focus of adversaries towards financial sectors and entities worldwide. In terms of internal capacity development, we seek to constantly augment employee awareness and knowledge on cybercrime, and encourage them to follow security best practices, so that the needs of detection and response engage people throughout the Group.

With COVID-19 and its repercussions highlighting a range of new risks and dangers across the world, we swiftly integrated pandemic-related events in our risk-categorization as part of overall business continuity risk. In addition, risk registers were updated to cover the unprecedented and particular events related to COVID-19. This was followed by the tightening of relevant controls, and the development of necessary capabilities in terms of procedures, systems and people to better prepare for such risk anomalies.

We will continue to invest in enhancing the collective ability of our teams, divisions, subsidiaries and the Group as a whole to identify, understand, openly discuss, raise the maturity level and act on eliminating and mitigating any risks that might have a potential to impact our projected business outcomes as a Group in 2023 and beyond.

RESOLUTE POSITIONING

Through 2022 we have actively reviewed and updated all risk as well as cybersecurity policies and procedures, thereby formulating a more comprehensive risk appetite and tolerance framework for the Group and its subsidiaries. We have reviewed cybersecurity controls and measures within, and available to, the Division to ensure alignment with National Cybersecurity Authority (NCA)'s regulatory changes, which advanced the Group into achieving a high NCA compliance level.

We have focused on building awareness of the potential internal cybersecurity impacts resulting from increased remote working, while also understanding the assurance of physical health and safety for our employees. The Group developed physical security precautions aligned with the guidelines provided by the Ministry of Health and the Ministry

of Human Resources. In addition, new cybersecurity controls, were introduced to mitigate threats that emerged from the activation of the remote set-up for staff, with the risk register updated to cover such potential events relevant to cybersecurity precautions.

The Risk and Security Division also played a crucial role in effectively identifying, mitigating, and monitoring risks relevant to the Group's major projects and initiatives.

NURTURING A STRONG RISK CULTURE

At Saudi Tadawul Group, our strong risk culture remains a critical element to institutional resilience in the face of challenges. We adhere to cybersecurity best practices, continually reviewing cybersecurity controls and effectiveness, monitoring all cybersecurity-related activities and events to ensure exact, effective handling of any cybersecurity threat.

POST-TRADE INFRASTRUCTURE PROGRAM (PTTP) – CASE STUDY

THE LARGEST IN THE HISTORY OF THE SAUDI CAPITAL MARKET

In line with the objectives of the Kingdom's Vision 2030, in establishing a sophisticated, advanced, diverse and technologically integrated capital market that aims to enhance the Group's position as a leading regional company and an attractive investment destination, the Saudi Tadawul Group launched a package of infrastructure development improvements in 2022, the largest of its kind in the history of the Saudi capital market, and aims to increase investment opportunities, enhance access to a variety of financial instruments, and introduce new products. This package of improvements also facilitates the access of local and international investors to new financial instruments.

Benefits of PTTP enhancements



THE SECURITIES INDUSTRY VALUE CHAIN

Issuance (Primary Market)	Trade	Post-trade			Assets servicing		
Listing/Admission to Trading	SDC issuance	Regulated Market/MTF/OTF	Clearing (CCP)	Settlement (SDC)	Custody	Securities Financing	Depository

OUR POST-TRADE INFRASTRUCTURE EVOLUTION TIMELINE:



SDC – Securities Depository Center MTF – Multilateral Trading Facility
OTF – Organized Trading CCP – Securities Clearing Center

تداول السعودية Saudi Exchange

1 INTRODUCING SHORT SELLING ORDER FLAGGING MECHANISM FOR CASH MARKETS

To provide the ability to short sell without having the securities in an account upfront, provided an SBL agreement is in place.

2 FLEXIBLE SETTLEMENT CYCLES FOR NEGOTIATED DEALS

To allow buyer and seller to agree on a settlement cycle from T+0 to T+5 based on their deal requirements.

3 INTRODUCTION OF FLEXIBLE OVER-THE-COUNTER (OTC) BOARDS

For additional flexibility in the trading experience and settlement cycles for suspended listed companies and unlisted debt traded OTC, to meet evolving investor risk appetites.

4 BUY-IN TRADES EXECUTED IN A SEPARATE ORDER BOOK SETTLING T+0

To allow all investors to mitigate potential or failed trades, with optional buy-ins executed through an auction process open to all investors, and mandatory buy-in orders submitted by our clearing house Muqassa on behalf of Exchange Members, both settled on the same day.

مقاصة Muqassa

1 EXTENSION OF CLEARING SERVICES TO COVER ALL SECURITIES TRADED ON THE SAUDI EXCHANGE

To cover equities, sukuk and bonds and traded funds markets to adopt a more comprehensive risk framework and facilitate the introduction of new products and services for clearing members.

2 ENHANCED DEGREE OF CLEARING SERVICE OFFERING FOR CMIS AND BANKS

To enable them to select the model that best fits their business alongside enhanced services provided by Muqassa, as either General Clearing Members or Non-Clearing Members.

3 EXTENDED POST-TRADE SERVICES

To provide the ability to rectify trades before settlement as well as to average or split price trades, and to facilitate multilateral netting for members among other extended services, leading to major operational benefits.

4 ADOPTION OF A COMPREHENSIVE RISK MANAGEMENT FRAMEWORK

To assess, quantify and monitor the level of credit risk that each counterparty is exposed to.

إيداع Edaa

1 INTRODUCTION OF A NEW CENTRAL SECURITIES DEPOSITORY SYSTEM AND POST-TRADE SERVICES

To provide a more sophisticated post-trade infrastructure and a wide range of securities services including settlement, depository, registry and asset servicing and to enhance the experience for CMI's, custodians, settlement agents and investors, and attract more investors to the market.

2 IMPLEMENTATION OF STRAIGHT-THROUGH PROCESSING (STP) AND ADOPTION OF ISO 15022 MESSAGING STANDARDS

To instantly share data and efficiently manage the trade settlement process with minimum risk and error.

3 DAILY AND ADHOC RECONCILIATION AND REPORTING OF PARTICIPANTS

To allow participants to efficiently and transparently reconcile all marketplace transactions.



The Post Trade Technology Program (PTTP) was one of the most ambitious and successful initiatives carried out by the Saudi Tadawul Group in 2022, in terms of scale, resource commitment and impact. Such advanced infrastructure improvements that provide a highly streamlined trading experience to all market participants signals our determination to create an attractive investment environment conducive to the needs of domestic and international investors, aligned with our aspirations to be a key financial hub and the gateway to the MENA region.

SHARED PRINCIPLES IN OUR RESOURCES:

The essential specialization and the operational interdependence among Group subsidiaries is enhanced by divisions and functions with key support roles to the Group as a whole.

The ability to draw on the efficiencies and competencies at all levels of the Group is the foundation for integration and growth.

Each is a demonstration of our principles in action and our common commitment to excellence in strategic results.

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Human Resources

Our people, the development of their talent, and the progression of their careers remained one of our utmost priorities during the year. Our valuable employees at every level, their collective teams, and our staff at every level are the backbone of our past achievements, our current progress, and our future aspirations.

Group establishment and the resultant changes to its structure have been essential prompts to a range of Group-wide human resources initiatives. At fundamental levels, we have worked extensively and precisely to ensure human relations is tightly aligned with evolving Group needs. All human resources policies and practices have been reviewed and standardized across the Group and all its subsidiaries,

ensuring shared principles in talent hiring, staff management, individual fairness and Group-wide efficiency.

The result maintains subsidiary flexibility in terms of their own individual business objectives, while bonding our people into a sense of the whole. We emphasize this important value of wholeness across our four subsidiaries. We act on the knowledge that shared, integrated,

human resources policies and practices form a key element of Group success.

Our employee growth plans are aligned with the Group's development into a key financial hub, and the gateway to the MENA region, and are therefore encouraged to pursue career paths within the Group that better suit their personal growth ambitions.



ENGAGEMENT APPROACHES

Based on the strategic objectives that guided our Human Resources Division's performance in 2022, we have focused on five carefully considered areas during the year:

Highly prioritized among these is offering employees a clear **sense of Group direction**. We emphasize on frequent and concise communication on Group vision and direction to help align employees' efforts with goal-setting and attainment. As part of this, we seek to involve employees in practical, people-focused discussions to shape and further Group direction, as well as their own progression mapped on to that of the Group.

Talent and motivation play a significant role in establishing and enhancing a culture of positive reinforcement (using both financial and non-financial measures) for sustained motivation, and to attract new,

progressive talent. In a cooperative training initiative, we provide the opportunity for students to complete their graduation requirements and gain practical knowledge by interacting with the wider Group businesses.

We focus on providing strong, exemplary **leadership** at Saudi Tadawul Group, ensuring they are trusted and respected as the custodians of the Group's vision by the employees, and are more alert and proactive towards employee empowerment, thereby creating a more positive, results-oriented culture than authoritative styles.

We have created a nurturing environment that encourages **innovation and learning**, and promotes the development of a team that is flexible with their knowledge and fast adaptive to evolving operating environments. We are highly active in developing innovative learning frameworks, programs and channels that encourage and harness innovation in ideation.

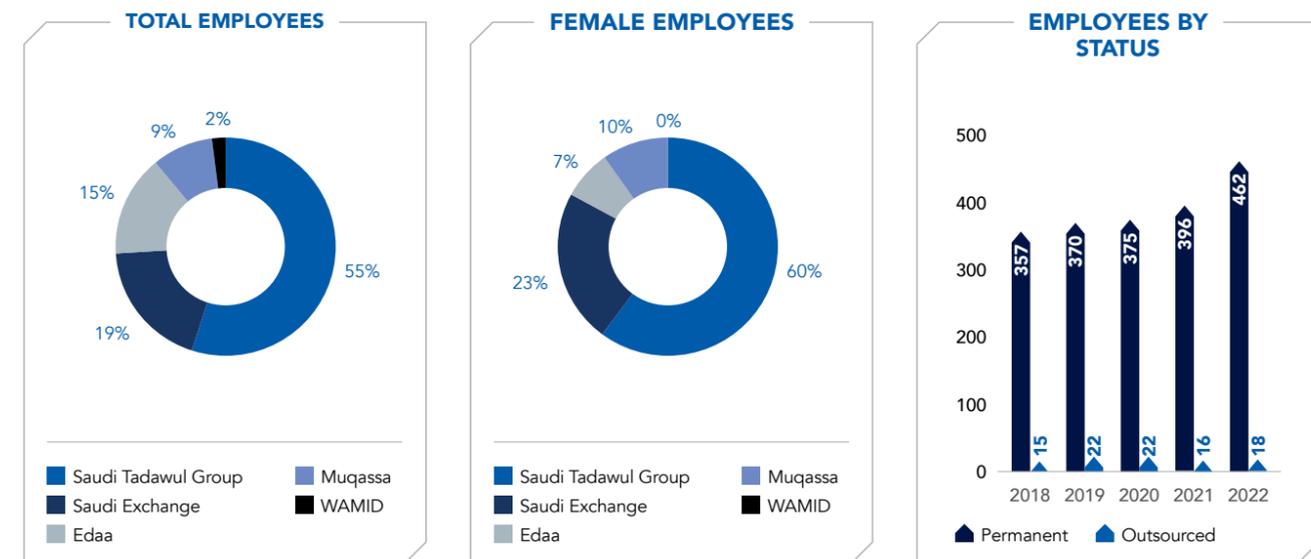
Underpinning all these is **attention to our whole professional environment**. Group-wide, we have a constant lens on fostering a performance driven culture, adopting value-adding mechanisms and opportunities to enhance the working journey of Group employees.

GROUP AND SUBSIDIARIES AT A GLANCE

Our steadily growing employee headcount represents ever-deepened Group growth driven by strategic workforce planning that has helped us strengthen our internal capabilities and talent pool. More importantly, the composition of our team how's the stated aim of promoting a diverse and inclusive work environment, one which understands, promotes and empowers the workplace excellence, in line with Saudi ambitious Vision 2030 objectives.

Group in numbers	2022	2021
Total number of employees	462	396
Number of female employees	123	102
Female employees (%)	27	26
Number of Saudi employees	423	360
Turnover ratio	18	18
Training days per participant	2.92	1.97
Saudization (%)	91.55	90.90

Total employee composition of the Group – 2022



Total Employees by Category

Grade	Male					Female				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Senior management	21	21	14	16	13	3	3	2	2	3
Middle management	78	69	70	68	52	9	6	6	5	5
Non-management	240	204	200	202	211	111	93	83	77	73

Total Employees by Age Group

Age group	Male					Female				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
18-30 years	122	98	78	88	82	96	80	69	63	61
31-40 years	123	114	130	126	126	23	19	17	17	18
41-50 years	72	64	59	57	56	3	3	5	4	2
Over 51 years	22	18	17	15	12	1	0	0	0	0

Total Employees by Service Period

Service period	Male					Female				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
0-5 years	229	176	169	165	135	111	88	84	74	64
6-10 years	39	46	34	38	43	9	11	3	6	10
11-15 years	25	28	62	64	75	1	2	4	4	7
16-20 years	41	39	19	19	23	2	1	0	0	0
20+ years	5	5	0	0	0	0	0	0	0	0

While the COVID-19 pandemic required a range of timely, exactly-purposed and innovative human resources support, the Division has learned and evolved to establish wide-ranging and practical continuity plans – which have been assessed and updated – to deal with such an eventuality, and support the Group’s Business Continuity Plan (BCP), and Risk & Security function. The “MUTTASEL” initiative launched in 2021 as a remote working option accessible to all employees of the Group, will also remain as one of our extended back-ups as such circumstances require.

We support our people-focused role with close attention to appropriate technological resources. A major revamp of the Human Resource Information System (HRIS) is being carried out to automate processes, regulate compliance, and enhance operational efficiencies across all HR functions. The introduction of an applicant tracking system has also provided us with the necessary tools to automate tasks for a highly efficient and scalable hiring and recruitment process, tracking and mapping the most suitable candidates with the Group’s talent needs and opportunities.

PROFESSIONAL DEVELOPMENT

Policies for employee training and development are being formulated at Group level, and given a broader Group orientation. As a result, our training plan has been designed to develop all levels across the Group and its subsidiaries - starting from graduates and running through professional levels, middle management up to the executive team, with the overarching strategic objective of improving our Organizational Health Index. Trainings include structured programs for a range of skills from leadership, technical and soft skills as well as on-the-job

learning opportunities, to adhoc user training programs for upgraded and new systems as required. Based on training analysis and multi-assessments that contribute to identifying the development areas, programs have been aligned with Group strategy and its objectives to reinforce our human capital’s competencies as well as transferable experiences that make them invaluable to the organization.

Through our Graduate Development Program, we assess and accept outstanding candidates each quarter. The freshly graduated are enrolled in a nine-month management training program in collaboration with a highly ranked business school, with attention to professional skills and technical training.

In middle management training, we provide Individual Leadership and Group Leadership Retreat Programs. Regarding those at senior executive levels, we provide individual executive education preceded by an assessment phase on specific competencies, thereby defining training areas and aligning them with required development. In post-assessment, we measure learning progress and learning impact. In additional related support, we are able to contribute financially, to those wishing to obtain a Masters or Professional Certificate.

As a result, our training and development plan forms a series of actions that will make us more capable of confronting challenges, maintaining high-performance and adapting to rapid market changes. We focus on encouraging lifelong, holistic learning and promoting a culture of innovation, collaboration and mutual engagement.

During 2022, we have doubled the number of training programs offered to our employees from 171 in 2021 to 346 in 2022, as a result increasing the total number of training days by 72.9%



All training and development initiatives are thoroughly tested and surveyed for effectiveness of outcome in meeting expressed needs. Multiple surveys were launched through the year to ensure the effectiveness and efficiencies of human resources services and practices.

Salaries and benefits	2022	2021	2020	2019	2018
Salaries Paid	164,308,196.64	144,468,008.97 ^a	127,404,415	132,161,921	127,595,446
Benefits Paid	9,059,445.05	6,251,316.38 ^b	4,936,316	6,060,536	6,448,966
Social Security Contributions	12,347,111.75	11,172,640.15 ^c	9,409,212	9,685,562	9,405,908
Staff Insurance	14,294,052.53 ^d	13,768,208.62 ^d	12,963,851	12,996,762	11,932,641
Total Salaries and Benefits Paid	200,008,805.97	175,660,174.12	154,713,794	160,904,781	155,382,961

a: Includes fixed allowances
 b: includes variable allowances
 c: paid by the Company for social security (GOSI – SANED – HAZARD)
 d: Medical insurance + Life insurance

A SUPPORTIVE CULTURE

Mutual staff understanding, commitment and responsiveness depends in large part in mutually shared activity. Among employee engagement activities during the year have been Town Halls to communicate strategic plans, and business updates to strengthen the sense of Group direction. A host of more social, cultural and wellness-oriented activities and events, and our annual gathering 2022 were held successfully. Notably too, staff were active in participating with the visually impaired community in celebrating White Stick Day. Such engagements were spread throughout 2022, steadily populating our HR events calendar following the previous years' restrictions stemming from the pandemic.

2023 AND BEYOND

Looking ahead to 2023, we have four top-line strategies ready for implementation:

- **Employee accountability and motivation:** Emphasizing empowerment and personal ownership of employees across non-management levels, paired with motivation via rewards and recognition, including establishment of clear career paths.
- **Attention to the total work environment:** Promoting a strong togetherness culture, as well as openness and trust, and breaking down siloed approaches.
- **Performance coordination and control:** Improving transparency regarding individual performance expectations and their assessment.
- **External orientation:** Treating external and internal audiences with the same rigor and commitment

Together, our current areas of work as well as our future-facing initiatives form essential steps in the realization and advancement of our Group strategy of building a strong, future-ready, and capable pool of human resources, so as to advance as an organization and growth towards achieving the ambitious Kingdom's vision 2030.

We aim to achieve optimum efficiency and effectiveness by closely evaluating, planning for, and obtaining resources required by the Group and our subsidiaries for continuous business functionality. The Department follows best practices to improve levels of compliance and transparency, and reach a balance between quality and cost that benefits both the Group as well as the suppliers we partner with.

The Procurement and Facility Management Department continued to evolve in its role of sourcing services from the qualified suppliers in order to get needed services and materials based on high quality standard and competitive values, as well as in optimizing the functionality of Group facilities, to drive sustainable operations across the Saudi Tadawul Group and its subsidiaries.

Consequent to the new Group structure, 2022 saw the Procurement and Facility Management Department ironing out all related changes to its delegation of authority and responsibilities, enabling further efficiencies within the Department as well as across the Group.

PERFORMANCE MEASURES

A number of enhancements were introduced across the procurement function, with special focus on finalizing the Vendor Performance Management system and its procedures with end-user training. With the new system allowing users to give feedback on suppliers based on received invoices or services, this will improve visibility of vendor performance in a clearly structured, efficiently communicable way.

Contributing to the Kingdom's Vision 2030 objective of supporting Small and Medium Enterprises (SMEs) and entrepreneurs, as well as enhancing local content, the Department utilized the "FORSA" platform as per our agreement with the Saudi Human Resources Development Fund (HADAF) to reach over 8,000 Saudi SMEs, and direct close to SAR 2 Mn in procurement spend through the platform to support local suppliers and their business growth during 2022.

Other additional measures taken to enhance efficiencies including negotiable contracts in terms of procurement support saw the Department reach a 7% savings, overtaking its 2022 target of 6.5%.

GLOBAL BENCHMARKS

The Department obtained three key international standards, the Procurement Excellence Standard Award from CIPS (Charter Institute of Procurement and Supply) as well as two essential ISO certificates in Quality Management System (ISO 9001:2015) and Facilities Management System (ISO 41001:2018) in which recognized certificates were obtained in line with best standards and international governance.

The Department continued to play a key role in the New Tower Project during 2022, with the formalization of the contract award letter to the selected fit-out contractor following a rigorous and successful assessment. We are in the final stages of procurement of furniture, interior installations and equipment, with targeted KPIs of the overall fit-out project plan for 2022 achieved.

Satisfaction measures contingent to each SLA have been included in the system, as well as annual and semi-annual assessments, ensuring the SLA fulfillment meets expected service and commitment benchmarks. Once feedback is received, we seek to meet or exceed growing expectations with recognizable improvements in the service offering.

During 2022, we have also streamlined our Service-Level Agreements (SLAs), automating and governing them through the IT Service Management (ITSM) system.

We also continue to support other subsidiaries and assist them in short-timing their major projects and initiatives, such as the new data center project in King Abdullah Financial District (KAFFD) for the Exchange, and a number of key projects for WAMID.

The obtained Accreditation from the Chartered Institute of Procurement and Supply (CIPS), the world's largest professional body serving the procurement and supply chain profession, is evidence to the continuous development of our processes and procedures in line with our departmental strategy.

DIRECT DEVELOPMENTS

The Department systemized operations of Facility Management and Administration during 2022 through a robust, centralized SharePoint solution to automate the tracking and management of facilities requests across services, maintenance, assets or equipment, the fulfillment of work orders, and the monitoring and completion of assigned tasks.

Marketing

As a centralized operation within the Saudi Tadawul Group, our role is to concisely communicate the principles and strategy of the Group and its subsidiaries, while creating awareness of their role in the development of the Saudi capital market among local, regional and international audiences.

At the onset of 2022, we established three communications priorities. The first and most crucial was to establish the Group's reputation as a listed company; to leverage the synergies across the Group's subsidiaries to accelerate the realization of its growth objectives, and to engage with key stakeholders through new and accessible modes of communication.

quickly adapted to substantially distinct guidelines, responsibilities and measures for financial communications. All such requisite financial communications, disclosures and material announcements are managed via close alignment between our team and Investor Relations Department as they emerge, all according to well-defined strategic objectives.

collective contribution to developing the Saudi capital market.

We also introduced new modes of communication to engage with our key stakeholders, in the form of a new Listings Report and Capital Markets Report. These two new reports, in addition to our monthly newsletter, provide in-depth information about the performance of the Saudi capital market for investors and issuers alike. Our objective with each of these, as in other publications, is to remain accessible

To establish the Group's reputation as a listed company, and as an exemplary benchmark for financial disclosures, we

We were equally active in establishing and better communicating the Group's synergies during 2022, aside from their



to investors, and to share relevant achievements and performance updates.

Establishing the Group's reputation as a listed company, leveraging synergies across its subsidiaries to accelerate growth objectives, and engaging with key stakeholders are among our top priorities this year.

ARTICULATE ACTIONS

Both variety and effectiveness of Group announcements were evidenced throughout the year. In terms of project announcements, we successfully launched Single Stock Futures – the second product in the Saudi derivatives market – backed by comprehensive media coverage across both traditional and digital media channels. We are currently managing a campaign to communicate cross-listing opportunities and advantages to local, regional and international issuers. During the year, we also launched the Saudi Capital Market Forum, a one-day event that was widely covered media outlets in the region. During the event, we announced the largest set of post-trade enhancements in the history of the Saudi capital market – a milestone that was equally well reported across media and social media channels.

Post-communication assessment is crucial. We conduct a comprehensive survey at year-end to review effectiveness of reach and audience responsiveness, correlating the data

obtained as a basis for learning and future adaptation, and assessing achievement according to our overall plan and individual objectives.

One of the key topics falling within the compass of our core function, is communicating the importance of environmental, social and governance (ESG) disclosures among our stakeholders. As we develop a market that is at par with global peers, our Organization's commitment to advancing the adoption of ESG principles across the Saudi capital market was cemented with the publication of ESG Disclosure Guidelines for issuers, which we promoted during 2022 through a range of initiatives including issuer webinars.

We are also active in communicating Group Corporate Social Responsibility (CSR) actions and have a specific CSR program with several initiatives, the latest being focused on wellness. Examples include our engagement in the White Stick project to raise awareness among employees for the visually impaired community, and engagement with support for differently abled children.



Other initiatives included supporting organizations such as the CFA Institute in its goal of raising public financial literacy, involvement with strategies focused on empowering women, and conducting a campaign to showcase leadership within the Group by giving employees opportunities to speak on their own and team achievements.

CORPORATE STRATEGY SUPPORT

The Corporate Communications Division managed, monitored and controlled over 60 projects and initiatives, and generated several reports for project steering committees. We have also engaged with subsidiaries apart from communication and project engagements, to align on communication plans and activities.

We keep close alignment with Group corporate strategy to ensure consistency between the Corporate Communication activities and the corporate strategy. Communication is, after all, a vital tool in strategic achievement, and such is our role in contributing to the advancement of the Group's corporate strategy.

Information Technology

Technology and innovation are key areas through which, in a highly proactive fashion, we enable and advance the fulfillment of shared goals across all subsidiaries and the Group. Our role is to provide formidable support to diverse and comprehensive operational achievement, while keeping pace with global technological advances.

IT is a sector of accelerating and extensive change, and as our Group operations expanded in line with an ambitious overall strategy during 2022. We excelled in our role as a division by anticipating and meeting these demands, proactively and strategically.

The Division continued to be a key strategic partner and enabler for the success of the Group and its subsidiaries by managing a wide range of activities

throughout the year. Having actively participated in the Organization's strategy development, we understand our constantly evolving role, and have integrated a number of new initiatives and goals to help us fulfill our contribution towards improving the Group operations by enhancing infrastructure capabilities and capacity.

KEY INITIATIVES OF 2022:

- The Post-Trade Technology Program (PTTP) Phase 1
- Switching primary operations to new data center at King Abdullah Financial District (KAFD)



FUTURE-PROOFING INFRASTRUCTURE

One of the most ambitious initiatives in terms of scale and impact carried out during 2022 was the roll-out of the Post-Trade Technology Program (PTTP), with the aim of providing a highly streamlined trading experience to all market participants. PTTP is a major and critical technology change. The new post trade infrastructure enhancements were introduced across Saudi Exchange, Muqassa, and Edaa, and was the biggest infrastructure enhancement project in the history of the Saudi capital market. The Division's efforts ensured that the new systems successfully went live on schedule with no major issues or incidents.

We maintained uninterrupted, secure and seamless operations across the subsidiaries and the capital market throughout the project, and succeeded in out-performing our 99.99% KPI target for core systems availability, registering 100% availability across all core systems for the year 2022.

- **100%**
Core System Availability

- **100%**
Non-core System Availability

Simultaneously during 2022, the Division switched the Group's primary Data Center to the newly established site in King Abdullah Financial District (KAJD) to better utilize and benefit from the more advanced data center. The Division also held workshops to familiarize members with the new system and conducted environment and production

testing to ensure market-wide readiness for the transition to new trading platform components.

ADVANCING THE GROUP

IT Division contributed to the progress of the Group strategy during 2022, by providing separate business verticals and the Group a range of services and solutions.

Group HR collaborated with IT Division in 2022 to implement a number of system in line with external regulatory changes. Additionally, HR also required the Division's assistance in implementing employee qualification and professional approval cycle configuration. Self-service enhancements were also introduced to support HR further its operational efficiencies.

All subsidiaries too, had considerable IT requirements fulfilled during 2022, resulting from the restructuring of the Group. Our web stack – previously designed for a single website – was upgraded accordingly to support five additional websites. Each website has greatly improved market-facing information and interactivity between subsidiaries and their key stakeholders.

To further improve performance, we intend to segregate some web services out of this infrastructure next year. Such segregation will improve capacity and stability and contain increased usage impacts. We are continuously reviewing capacity in all existing and projected infrastructure, ensuring systems can be scaled when necessary.

At an individual level, the Exchange underwent several enhancements across indices, reports, invoices among other processes. For Edaa, the Division upgraded reporting and invoicing capabilities, while Muqassa benefited from the implementation of a Repo

Engine and Dashboard that significantly enhanced the subsidiary's servicing capabilities and performance. WAMID, in its initiative to introduce hosting and co-location services, was supported by the IT Division in setting up all necessary containments, and establishing the clients within our data center.

We also developed multiple web services to communicate with external government agencies including the Capital Market Authority (CMA), the Saudi Data and Artificial Intelligence Agency (SDAIA) and the Zakat, Tax and Customs Authority (ZATCA), to ingrain a high level of compliance and transparency across our operations while advancing further efficiencies.

To achieve optimal business performance internally through the automation of our core business processes, we completed the Roadmap Assessment for our Enterprise Resource Planning (ERP) System, which covered Finance, Procurement and Human Resource functions. Reports on the above findings were shared with stakeholders. Additionally, the automation project scope and execution was outlined, aiming to enhance our automation level to 70% by the end of 2023.

IT EFFICIENCY, CYBERSECURITY AND RISK MANAGEMENT

With cybercrime becoming one of the most disruptive threats to stock markets around the world, the Division ensures all necessary changes and controls are in place across the Group's technology infrastructure to ensure benchmarked cybersecurity standards.

During 2022, we successfully completed compliance reviews on regulations set forth by the National Cybersecurity Authority (NCA) of Saudi Arabia:

- Compliance with Essential Cybersecurity Controls (ECC)
- Compliance with Critical Systems Cybersecurity Controls (CSCC) – extension of ECC, implemented in the form of policies, procedures and controls

We successfully passed the annual surveillance audit on ISO 20000-1:2018 for IT Service Management Systems and ISO 9001:2015 for Quality Management Systems for the year 2022, ensuring our IT systems comply with cybersecurity regulations, and are free from any vulnerabilities.

We also conducted our annual updates on Business Continuity Plans (BCPs), Business Impact Analysis (BIA) and Disaster Recovery Plans (DRPs) for critical systems for the year 2022, and successfully executed failover tests to ensure our Business Continuity, Cybersecurity and Enterprise Risk Management frameworks were resilient and future-proof for any anticipated or unprecedented threats or breaches.

We continue to enhance all relevant defensive measures. We have regulated policies and user access controls for all systems. Via sophisticated cybersecurity tools, we have close monitoring of any suspicious activity or threats potentially affecting to our systems, and regularly implement and control application or penetration tests for all IT systems.

With such comprehensive and prudently implemented controls in place, we have been able to eliminate all attempts at breaching security, demonstrating the robustness of our cybersecurity precautions. In line with our proactive approach, in conjunction with the CMA, we are now examining AI technology for market-related surveillance and reporting.

FACING THE FUTURE

In terms of information sharing and value-capture, IT now has a major role in the Group's data monetization project currently implemented by WAMID. Consolidated data will be hosted, and various reports and data related services offered. The entire technology platform is now ready for implementation.

Scale matters in all such developments and enhancements, and with the launch of the PTTP project during 2022, we have substantial headroom for growth. In 2023, we will continue all ongoing improvements across our systems, including the data center and systems migration.

Our Digital Space

The continuous expansion of our digital footprint remains a crucial area of focus to the Group, driven by its importance towards sustainable operations. Digital technologies are deeply embedded into capital market activities, and will continue to transform, and dictate, the future of the trading business.

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Our digital team is tasked with ensuring the Group and its subsidiaries have highly accessible, highly communicative positioning in the digital space. Activities and achievements throughout the year continue fully to meet this objective. They also set the groundwork for future enhancement by emerging developments in digital technologies and digital media.

ENHANCED INTERACTIVITY

As a result of our digital reach scaling up both regionally and globally, the total number of visits to the Group websites increased by 26% in 2022 to reach 21M+ visits, with a 154% increase in international visitors. The successful launch of individual websites for the Saudi Exchange, Muqassa and WAMID was a key milestone in our virtual expansion, and in our customer-facing activities. The website of the remaining subsidiary, Edaa, has been developed and is on schedule to launch during the first quarter of 2023. In addition, the highly anticipated launch of the Saudi Exchange application – now in its final stages of development – is also scheduled to launch in the coming year.

In other areas of customer engagement, our contact centre operations continued to record high levels of engagement and performance. The Customer Service team played a key role in assisting customers with their enquiries. There were 49,038 customer enquiries that were assisted through calls, emails, live chat, and social media. We closely monitor the contact centre for emerging digital development needs, and continue to support the timely technological upgrading of the operation.

Our purpose in the digital space is to improve the Group reach and reputation, as well as enhance customer experience through highly responsive channels of engagement, a crucial element in the success of our Organization.

We continue to pay close attention to social media opportunities and seek to capitalize on such engagements where appropriate. We are investing in new systems to enhance our social media value through social media announcements, campaigns and automated customer surveys, enabling better, and faster responsiveness to customer behavior and feedback. Moreover, a systematic review is carried out on all social media activities to ensure the highest customer service standards and governance.

Legal

Our sound legal competence and compliance form a critical foundational platform of support at both Group and subsidiary levels. As the Group and subsidiaries develop and expand their reach, products and services, and establish new and demanding strategic goals, our Legal Division simultaneously underpins a growing portfolio of structural, operational, compliance and regulatory activities, which need to be carefully managed.

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With the recent large-scale demands of restructuring into the Group Holding Company and its subsequent listing clearly demonstrating the Legal Division's capabilities, we continued to evolve as a team during 2022, overseeing legal affairs and related developments across the Group and its subsidiaries.

The Saudi Tadawul Group's centralized Legal Division comprises three departments; Legislation, Legal, and lastly Compliance and Governance, which itself consists of two units with one is detected for Governance and the other for Compliance together they provide services to the Group and its subsidiaries.

RESULTS IN PLACE

A number of important developments and major initiatives undertaken by the Legal Division during 2022 deserve mention; key among them is the Governance Framework Project led by the Governance and Compliance Department together with a leading specialist consulting company. The project – of significant scale and requirement – aims to

enhance the Governance Framework of the Group and its subsidiaries for a clear understanding and oversight of each other's objectives, policies, accountabilities, expectations, performance as well as reporting requirements, to transparently and concisely communicate all such aspects to relevant stakeholders.

We remain focused on the demands of the Group's continuing growth, and on achieving its overarching strategic objectives in 2023 and beyond.

The Governance and Compliance Department was also engaged in the establishment and drafting of charters for a number of committees during 2022. These include, but are not limited to, Compliance committees and IT committees for all Group subsidiaries regulated by the Capital Market Authority (CMA).

At the onset of the year, the Division through its Legislations Department published 11 amended and/or developed rules and procedures related to the Post-Trade Technology Program (PTTP). The Legislation Department was also responsible for amending the Listing Rules to accommodate new enhancements of the transfer process from the Parallel Market to the Main Market, and introduced the direct listing of offered Debt Instruments by way of private placement and minor enhancements on the capital increase-related provisions. The Derivatives Exchange Trading and Membership Procedures as well as the Clearing Procedures were amended by the Legislations Department, as a result of introducing a new derivatives product (Single Stock Futures). Moreover, The introduction of the Market Making framework on the Exchange in 2022 was also supported by the Legislations Department with the development of Market Making rules and procedures.

Legal

Additionally, the introduction of derivatives required the Legal Division to work together with the Exchange to develop new templates, policies, agreements, MOUs and NDAs.

The Division, through its Legal Department, continued to provide a range of services to the Group and its subsidiaries, including, but not limited to:

- Legal support, advice, reporting, research and correspondence;
- Litigation before all judicial and arbitral bodies;
- Leading the review, negotiation and drafting of major agreements and other legal documents;
- Identifying legal issues and proposing solutions to complex legal matters;
- Handling official judicial requests and orders;
- Interacting with external lawyers and legal consultants and with government bodies in connection with legal matters;
- Participating in committees where legal support is required;

- Performing pre-litigation work to minimize risks and protect legal rights;
- Legal support within the process of collection and settlement;
- Storing and indexing original copies of all types of agreements (except for employment agreements).

With the rest of the subsidiaries, the Division played a key role in WAMID's acquisition of a 51% shareholding in Direct Financial Network Company (DFN). The agreement between Edaa and Clearstream during 2022 allowing foreign investors into the Saudi Market required the development of the "Instructions for International Central Securities Depositories" and related agreements. A major project in itself, touching on numerous critical issues, the Legal Division ensured a successful outcome, which remains exemplary for all concerned.

Other major agreements between the Saudi Exchange and the Abu Dhabi and Bahrain exchanges were also formalized to the satisfaction of all parties.

Of particular note is the dual listing legalization, followed by the first dual listing on the Saudi Exchange. Here too, the Legal Division provided essential services such as updating of the Listing Rules, drafting and reviewing legal documents and agreements, and negotiating and consulting in the many matters involved in dual-listing.

RESOURCES AND RELIABILITY

Supporting this expanding role, the Division has brought in well-qualified new recruits, and added a number of graduates to the Group's highly regarded Graduate Development Program. Training of this chosen talent took priority despite the Division's demanding workload during 2022.

Looking ahead, the Division is well-resourced to meet future challenges in legal matters in an ever-evolving landscape of legislation and regulations, to support the Group and its subsidiaries in areas requiring our professional expertise and advise.

OUR COMMITMENT TO THE PRINCIPLES OF ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG) TO ENHANCE THE SUSTAINABILITY OF OUR BUSINESS

The Saudi Tadawul Group plays an important and well positioned role as an intermediary in the process of capital provision for high impact "green" projects in line with the Kingdom's ambitious targets for Vision 2030.

As investors continue to integrate strong Environmental, Social and Governance (ESG) practices into their investment decisions, the Group is considering to adopt a clear approach to these practices and an ongoing commitment to disclosure and transparency.

We firmly believe that working towards sustainability is not only the right thing to do, but also creates business benefits and competitive advantages. We aim to accelerate the achievement of our ambition to be among the world's top three exchange groups through:

- Achieving world-class environmental, social and governance (ESG) performance
- Working with our issuers to adopt ESG management
- Accelerating the market shift towards sustainability through an expanding range of our ESG/sustainability-services and products

WE INTEGRATE THIS THREE-TIERED APPROACH INTO KEY AREAS OF RESPONSIBILITY, WHICH REFLECT THE IMPORTANCE OF THESE OPPORTUNITIES IN ESG PRACTICES AT THE GROUP LEVEL:



Our core contribution to the Saudi Vision 2030 is the transformation of Saudi capital markets in line with the Financial Sector Development Program (FSDP). We will continue to invest in and develop the infrastructure required for world-class sophisticated market. We will also continue to aggressively work to achieve the growth ambitions relating to private sector participation in the markets, the growing participation of smaller and medium size companies in our parallel market Nomu, and further success at attracting foreign investment, among other objectives.



We will continue to govern the Group with achieving best practices through compliance and governance standards.



As the Saudi capital market becomes a local, regional and global hub in debt capital markets, we recognize that debt finance should increasingly incorporate sustainability – including climate – considerations. We therefore aim to enhance and accelerate the Group's debt capital market offering and global attractiveness by advocating and supporting sustainable finance issuances, such as green bonds and Sukuks, sustainability-linked bonds and sukuku, transition finance issuances, and others.



Given our belief that strong ESG performance contributes to improved corporate performance, we will accelerate our efforts to encourage widespread adoption of sustainability management and ESG disclosures by Saudi listed companies. This will increase the overall attractiveness and financial performance of the Saudi Capital Market.



Achieving a Net Zero, circular carbon economy in line with the world's climate targets is a global priority. For this latter objective, in 2022 we launched the Regional Voluntary Carbon Market Company as a joint venture with PIF (20% ownership by the Group).



The transformation is currently in progress can only be maintained and accelerated through the caliber of our national talent. As we are a global leader amongst exchanges in terms of the level of training investment in our people. We have an ambitious program underway to further improve our gender balance.

These six themes represent areas where we can make the biggest contribution to sustainable development and simultaneously add maximize shareholder's value and our stakeholders through a combination of:

- International sustainability standards, guidelines, sector specific sustainability initiatives, and ESG ratings
- The world's Sustainable Development Goals
- The Saudi Vision 2030 and other national guidance such as the Private Sector Development Program, and other government commitments such as its Net Zero commitments
- The direct views of our key stakeholders, including but not limited to local and international and potential issuers and investors, employees, suppliers and business partners, and the public.
- The ESG focus of our global exchange group peers, and their ESG performance levels.

CO-LOCATION SERVICES TO ENSURE THE LOWEST LATENCY ROUTE POSSIBLE AND PROVIDE ADVANCED INFRASTRUCTURE THAT MEETS THE REQUIREMENTS OF CAPITAL MARKET PARTICIPANTS

The Saudi Tadawul Group, through its advanced technology solutions company WAMID, introduced the co-location service will provide the market an opportunity to co-locate their servers and equipment within our Tier IV Data Center allowing them to have LAN connectivity access to our trading engine. This service targets both trading and non-trading customers, enabling them to reduce their latency as well as architecture complexity by utilizing high density cabinets. This innovative, unique co-location service will support customers in implementing their data, trading and execution strategies efficiently and swiftly.

With our co-location services, round-trip network latency has reduced drastically.

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By utilizing WAMID's co-location services and renting space within our Tier IV Data Center, clients can have multiple benefits including:

- Provide advanced infrastructure that meets sophisticated trading participant's requirements
- Unlock high speed connectivity for users
- Ensure the lowest latency route possible

Stock exchanges, by nature of their function, need to be at the forefront of technology and automation. Provision of timely, accurate market information and resulting of swift response is crucial for all market participants; split-second latencies can lead to missed opportunities, especially in high-frequency trading (HFT) or market-making. In markets similar to the Saudi capital market, only 11% of trading is carried out via automated systems.

CO-LOCATION SERVICE OFFERING TIMELINE:

Wamid's Hosting and Co-location Services Offering was Rolledout in 3 Phases.



CO-LOCATION SERVICES OVERVIEW

Racks Rental

Full, standard 48U server racks with standard patch panels and power modules are rented to clients, with mechanical locks or card reader locks provided for each rack.

Power and Cooling

Each rack has a baseline power of 5kW with all power connections backed by UPS and generators in the event of power grid failures. Power requirements above 5kW require additional rental space.

Connectivity

Three main types of stable, dedicated connectivity are offered to the co-located clients; a reliable and secure connection to the trading services network (TSN) with 1G redundant ports for connectivity, additional links between racks, and cross connect (XCN) to provide physical cross connections to external telecom service providers.

Timing Services

Ability to subscribe to the time synchronization service offering Network Time Protocol (NTP). Other support services such as equipment receiving and shipping would also be provided based on client requests.

CONCLUSION

The launch of our hosting and co-location services, and the advancement of the Saudi capital market infrastructure to a more sophisticated level of maturity has been an instant success. Whether it is algorithmic trading, high frequency strategies or low latency connectivity, all are resultant of advancements in technology that has made the Saudi capital market become notably more liquid and high performing in the recent years. WAMID will continue in its ambition to innovate and advance the Saudi Exchange, and help market players and market makers address real-world challenges and to unlock the power of data and technology in the Saudi capital market.

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PUTTING GROUP PRINCIPLES TO ACHIEVE OUR AMBITIOUS GOALS: Subsidiary Review

The Group operates integrated and diverse business model is a key enabler for sustainable top-line revenue growth and innovation. The operational independence of each subsidiary facilitates an agile environment and supports rapid responses to evolving global and regional market trends.

Our subsidiaries structure will foster growth and innovation while providing strategic flexibility. This in turn will allow it to compete with other exchanges globally.

With its subsidiaries, the Saudi Tadawul Group provides end-to-end services from listing, trading, post trade and data and technology services.

- 55 Saudi Exchange
- 64 Edaa
- 67 Muqassa
- 70 WAMID

Saudi Exchange

تداول السعودية
Saudi Exchange

Saudi Exchange Company "Saudi Exchange"
www.saudiexchange.sa

The Saudi Exchange conducts listing and trading in securities for local and international investors. The Exchange is instrumental to achieving the long-term growth plans for the Group and providing market participants with attractive and diversified investment opportunities.

VISION

SHAPING THE DEVELOPMENTS OF THE SAUDI CAPITAL MARKET BY PROVIDING BEST-IN-CLASS FINANCIAL INSTRUMENTS ACROSS ALL ASSET CLASSES, SUPPORTED BY A STRONG, INNOVATIVE AND TECHNOLOGICALLY ADVANCED MARKET INFRASTRUCTURE.



OWNERSHIP

100% owned by the Saudi Tadawul Group



PAID UP SHARE CAPITAL
SAR 600 Mn



NUMBER OF SHARES

60 Million shares of SAR 10 each



LOCATION

Kingdom of Saudi Arabia, Riyadh

MISSION

PROVIDING A MARKET THAT IS RELIABLE, RESILIENT, TRANSPARENT AND EFFICIENT, WHILE PROTECTING MARKET PARTICIPANTS AND OFFERING TAILORED SERVICES THAT ARE ATTRACTIVE TO DOMESTIC AND INTERNATIONAL STAKEHOLDERS.

Key Activities and Services

- Providing listing services
- Providing order matching and trading services
- Providing market information and indices

"At Saudi Exchange, we are committed to providing an outstanding market experience that exceeds the expectations of investors and issuers. Our exceptional performance in IPOs this year, with 51 listings across all platforms, is a testament to the appeal of the Saudi Capital Market. We take pride in our strong IPO pipeline and will maintain our focus on innovation and development to position Saudi Exchange as the preferred destination for investment."

Mohammed Al-Rumaih
CEO, Saudi Exchange

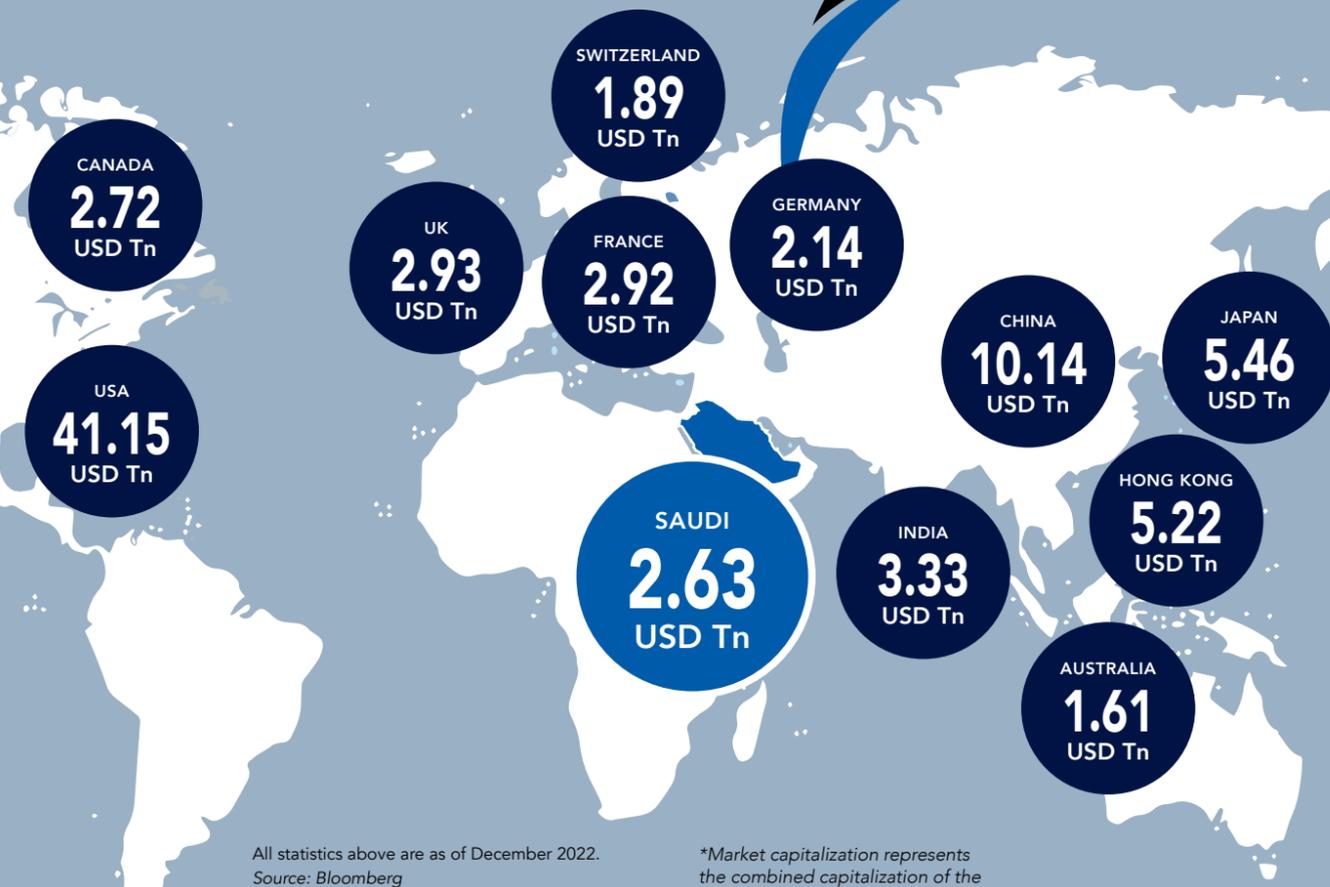


As the only entity licensed to act as Saudi Arabia's securities exchange, we have a significant role to play in the fulfillment of the Kingdom's Vision 2030. It is a role in which we adhere to, and exhibit, the highest professional principles, as we strive to develop the Saudi capital market into a technologically advanced, diverse and integrated capital market.

The Exchange ranks 9th among the world's stock exchanges in terms of market capitalization*

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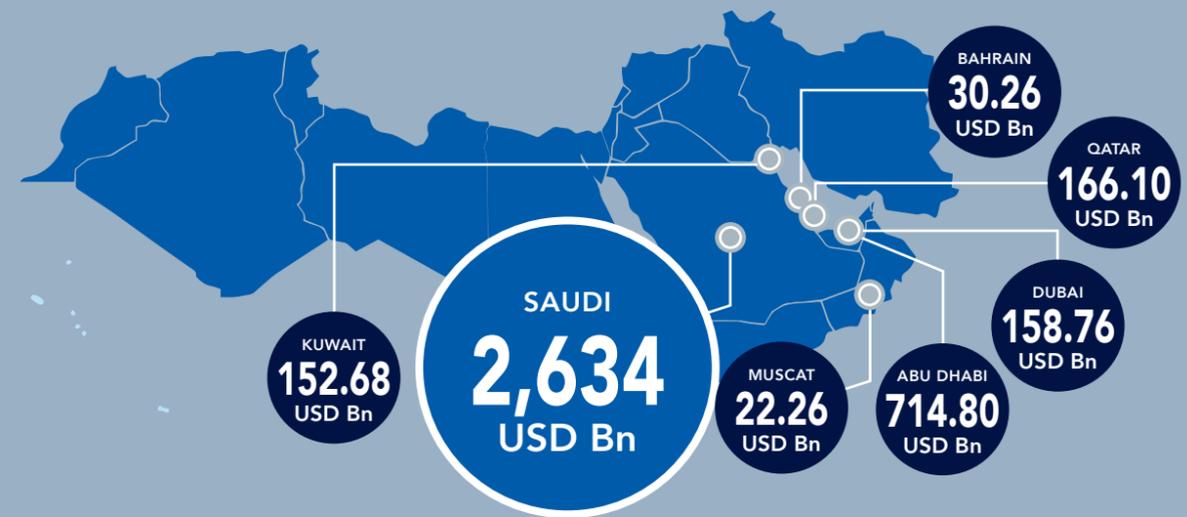
SAUDI TADAWUL GROUP ANNUAL REPORT 2022



All statistics above are as of December 2022. Source: Bloomberg

*Market capitalization represents the combined capitalization of the listed companies in the respective exchanges.

The Exchange accounts for 67.90% of the total market capitalization of Middle East stock exchanges



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SAUDI TADAWUL GROUP ANNUAL REPORT 2022

The Exchange has the highest market capitalization to GDP ratio among leading emerging markets



With the transformation of the Saudi Tadawul Group into a holdings structure, the Saudi Exchange was established in 2021 as a dedicated stock exchange, to list and trade a wide range of securities and provide indispensable market information to all relevant stakeholders. Our main operations include managing the Exchange, providing trading platforms for listed securities as well as suspended listed companies and unlisted debt, providing listed companies access to financing, and allowing investors to invest in securities listed on the Exchange.

The Exchange comprises two platforms; the Main Market – with the Tadawul All Share Index (TASI) as its primary index, and Nomu – a parallel equity market with lighter listing requirements than the Main Market, with the Parallel Market Capped Index (NomuC) as its headline index. The debt market includes bonds and Sukuk for corporate and sovereign issuances with several indices such as the Tadawul Sukuk and Bonds Index, while the Funds include several listed ETFs, CEFs and REITs. The Derivatives Market was launched with Index Futures in 2020 as a key initiative of the Financial Sector Development Plan (FSDP) under the Kingdom’s Vision 2030. In Q3 2022, Single Stock Futures (SSFs) were launched.

The Exchange continues to increase foreign participation as part of the FSDP’s primary objectives in the formation of an advanced capital market in line with Vision 2030, supported by the achievement of numerous other goals such as the inclusion in the MSCI Emerging Markets Index, the FTSE Russel Emerging Markets Index, and the S&P Dow Jones Emerging Markets Index.

CASH MARKETS

With the benefit of strong capital inflows and associated capital market activity across the region, we worked within an environment that was positive for our business performance during 2022, despite developments in the geopolitical climate and global macroeconomic policies that influenced investor sentiments.

Our driving mission is to create and capture value where we identify it, a purpose we strongly aligned with throughout 2022 with a number of market developments.

KEY MARKET DEVELOPMENTS IN 2022:

- **Enhancements made to the post-trade infrastructure**
The largest in the history of the market
- **Introduction of dual listing**
The first concurrent IPO and dual listing in Saudi Exchange
- **Derivatives market development**
Single Stock Futures were launched in Q3 on 10 underlying companies
- **Launch of market-making framework for equity and derivative markets**
To deepen order book liquidity
- **Listing of the largest Tier I Sukuk Issuance and the first of its kind**
Providing new investment opportunities, especially for retail investors
- **Listing of the first tradable fund in Nomu – Parallel Market**
Increasing diversification and deepening the Saudi capital market

Key among these developments were the enhancements made to our post trade infrastructure, implemented as part of the Post-Trade Technology Program (PTTP). Such advanced infrastructure improvements signal our determination to create an attractive investment environment conducive to the needs of domestic and international investors, and well aligned with global best practices.

The series of enhancements were the largest in the history of the Saudi capital market, and intends to provide investors with increased investment opportunities and access to a diverse range of financial instruments and new products. The major enhancements that were successfully implemented during 2022 included the introduction of a highly efficient handling of order flow by market participants. Further, enhancements include same day settlements for buy-in trades, flexible settlement cycles for negotiated deals, and additional flexibility in the trading experience and settlement cycles for securities traded over-the-counter (OTC), where trading is constrained to unlisted debt instruments and listed but suspended equities.

2022 also saw the introduction of a market-making framework (MMF) for our equity and derivatives markets, to deepen order book liquidity and increase price formation efficiencies. Under these new market-making regulations approved by the Capital Market Authority (CMA), entities interested in registering as market makers are required to be exchange members, and may act in the capacity of principal on their own account, or as an agent on behalf of a client. These market makers must provide continuous buy and sell orders for a listed security during market open sessions, for the purpose of providing liquidity for the relevant listed security. A list of market makers and the securities on which they are performing this

activity is set to be published on the Exchange website. We will continue to monitor all market makers for compliance with their specified obligations, and provide incentives once such obligations are met.

In 2022, we debuted the first concurrent IPO and dual listing of a non-Saudi company on the Saudi Exchange. The listing of 2.6 billion shares on the Saudi Exchange and Abu Dhabi Securities Exchange (ADX) raised SAR 6.7 Bn in gross proceeds, its successful conclusion encouraging non-Saudi issuers to list on the Saudi Exchange.

Two more partnerships were formalized with regional exchanges during 2022 to enable dual listings; we entered into an agreement with Muscat Stock Exchange (MSX), and also signed a Memorandum of Understanding (MoU) with Bursa Kuwait to enable dual listings, and explore collaboration opportunities in investor relations initiatives as well as in FinTech.

These agreements resulted from the engagements, substantial discussions and developments with regional and international exchanges. The goal of these partnerships is to explore a new era of opportunities, and exchange mutual benefits and experiences across our operations. Apart from the strong bonds that have been established with GCC exchanges, we also continue to build partnerships with international exchanges such as:

- AIX – Astana International Exchange
- EGX – The Egyptian Exchange
- HKEX – The Stock Exchange of Hong Kong Limited
- NYSE – The New York Stock Exchange
- SGX – The Singapore Exchange

We remain highly alert to our operating environment, and exert every effort to align with global best practice, or enhancement implemented among any of our traded products and services.

Looking to the coming years in terms of the Main Market and Nomu, our strategic and practical focus can be broadly categorized in the following three areas:

- Continued development of debt markets and traded funds through product and service enhancements,

- raising investor awareness and introducing initiatives targeted towards increasing market liquidity and enhancing overall trading.
- Continued enhancement to our equity market microstructure to advance overall market efficiency and liquidity.
- Opportune, practical and sustainable expansion of our overall market-wide products and services.

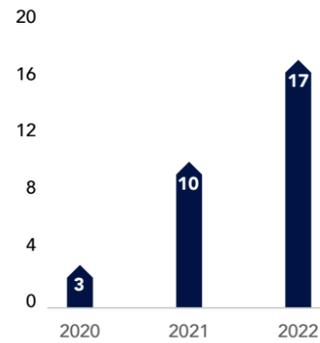
LISTED AND REGISTERED SECURITIES

Market	Number of listed securities	Note
Main Market	206	Excluding REITs
Nomu Market	45	Excluding 1 REIT
REITs	18	17 listed in Main Market and 1 listed in Nomu
CEFs	2	
ETFs	7	
Sukuk and Bonds	74	4 Corporate and 70 Government

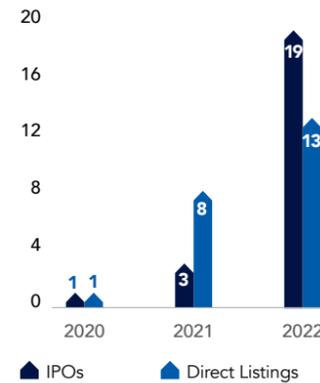
Listed and registered securities across cash markets

The growth in IPOs and new listing numbers in the Main Market, Nomu (with direct listing), in traded funds and in debt instruments, is a strong demonstration of our strategic achievement:

NEW LISTINGS ON THE MAIN MARKET



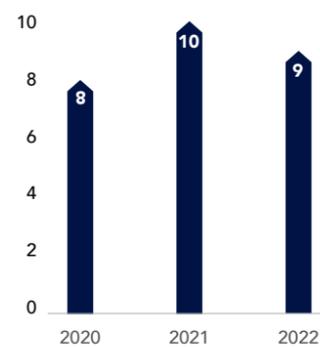
NEW LISTINGS ON THE NOMU MARKET



New listing numbers for traded funds (registered mutual funds, ETFs and CEFs), and debt instruments (government and corporate Sukuks and bonds) remain relatively steady:

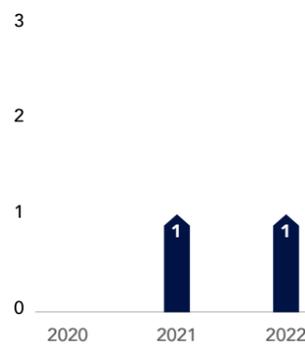
Turning to our progress in corporate Sukuk and bonds, we are pleased to report demonstrable highlights in the new listing of Al Rajhi Bank's Tier 1 Sukuk denominated in Saudi Riyals – the first of its kind, with the debt issuance achieving record numbers that were the largest in the history of the Saudi Sukuk market.

NEW LISTINGS ON SUKUK

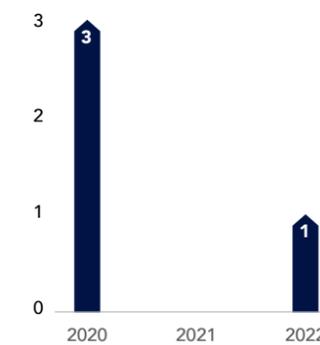


In terms of REITs, while the last REIT was listed in 2019, we received approval from the CMA to list one REIT each on the Main and Parallel Markets during 2022, with the Al Waha REIT Fund becoming the first tradable fund listed and traded on the Nomu Parallel Market in 2022.

NEW LISTINGS ON CLOSED-END FUNDS



NEW LISTINGS ON EXCHANGE TRADED FUNDS



Growth in Capital Raised Through IPOs and Rights Issues for Main Market

Year	Capital Raised (SAR)			Comments
	2020	2021	2022	
Main Market	5,254,440,000	17,179,160,744	37,512,544,092	Including REITs
Nomu – Parallel Market	180,000,000	1,893,469,550	1,289,992,376	
Tradable Rights	5,646,768,800	2,180,379,110	11,752,284,640	

Statistics on the growth in total market capitalization for Main Market, Nomu, traded funds and debt instruments (Sukuks and bonds) are as follows:

Year	Market Cap (SAR)			Comments
	2020	2021	2022	
Main Market	9,101,812,814,628	10,009,151,361,041	9,878,101,398,976	Including REITs
Nomu – Parallel Market	12,179,300,000	19,025,273,000	35,085,565,047	
CEFs	–	409,930,345	850,324,747	
ETFs	1,608,258,900	1,597,731,800	1,503,387,900	
Sukuk and Bonds	387,840,399,020	461,370,215,860	525,316,925,120	Issuance Size

We pay close attention to a range of suitable entities – from large companies to energetic family enterprises – for whom we believe listing offers measurable value, and ensure we follow up with the needed encouragement and proven results to assure potential customers of long-term value creation.

Saudi Exchange conducted 30 workshops and visited 752 companies during 2022, to increase their understanding of, and responsiveness to, listing on the Exchange. We provide a frank and detailed discussion in our workshops and visits, covering areas of interest as well as the benefits and considerations of listing, listing requirements, types of listings, and listing incentives.

With regard to listing incentives during 2022, through the Encourage Listing Program (ELP) which falls under the Financial Sector Development Program (FSDP) and in cooperation with 14 different governmental entities, 21 incentives were launched to give a preferential advantage to listed companies. These incentives varied according to the entity that provides the

incentive, and were divided into two main categories:

- Pivotal incentives, represented in raising the funding ceiling provided by government funds such as the Industrial Development Fund, Agricultural Development Fund, and Project Support Fund.
- Procedural incentives, represented in facilitating some government procedures such as the process of granting quick approvals for the registration of foreign partners by the Ministry of Investment.

In addition, MOUs have been signed with the following three local entities during the year:

- The Communication and Financial Knowledge Center (CFKC), in order to raise awareness about listing among a targeted public audience.
- The Princess Noura Bint Abdulrahman University (PNU), which will raise awareness about listing among students.



- The Ministry of Municipal, Rural Affairs and Housing (MoMRAH), providing informed and detailed encouragement to appropriate companies to list on the Saudi capital market.

We see expanding capital markets activity across the GCC in both the primary and secondary markets. Saudi Exchange accounts for a significant share of this activity with 51 listings and over USD 10.8 Bn in capital raised (excluding government Sukuk/Bonds) during 2022, maintaining our leadership position in IPO issuances not only in the immediate GCC, but also the Europe, Middle East and Africa (EMEA) region.

As the Exchange further attracts non-Saudi issuers, we gain additional diversification in the market, and substantially increase the global standing of the region as a leading global capital markets center.

MARKET INFORMATION

Throughout 2022, we have pursued and implemented numerous infrastructural developments to ensure the smooth transition of Market data – an essential area of activity for the Exchange. These developments focused mainly on post-trade, and connecting members and data vendors to the new data center in King Abdullah Financial District (KAFD).

From a total of 238 clients that include Data Vendors, Members, Asset Managers, Index Providers, and Issuers, 45 were signed in 2022, expanding the Market Information client base on local and global levels.

Our Market Information and Indices Division is working on various products and services that are expected to be developed and introduced during the coming year.

On the data side, there are a number of initiatives expected to be delivered next year. Market Data Full Orderbook will offer investors and High Frequency Traders with more insights within the trading session covering historical Tick Data movements. In addition, more tools will be made available for market participants to access historical data covering corporate actions, financial statements, reference data, and other data sets through APIs.

On the indices side, Market Size and IPO indices are currently under development and expected to be launched in 2023. Moreover, we are working closely with number of asset managers on multiple customized indices that will be used as a basis for ETFs and other financial products.

CLIENT RELATION DEVELOPMENT

We anticipate further interactions and increased activity with the international investment community in 2023, especially in light of the high-value IPO pipeline. We aim to broaden our reach next year and approach investors from the US and Asia Pacific, among other regions.

Our amplified efforts on outreach were accompanied by an increased number of events and workshops in 2022, where we participated in 11 events, 10 workshops and 1 webinar; a virtual webinar in collaboration with Nomura, to participate in a discussion targeting Japanese investors.

We also note a coming acceleration in new client segments, achieved through new programs such as market making, supported by our rapidly developing infrastructure. The Clients Relations Development Department continuously engages with other exchanges to share knowledge and experiences around departmental/functional governance and operations, as well as thematic developments such as ESG.

The launch of our ESG Disclosure Guidelines saw growing interest from issuers to further understand the benefits of ESG in stakeholder management, and has resulted in the number of companies reporting their ESG performance almost tripling since 2021. Our focus remains on guiding issuers in implementing ESG practices, and strengthening their ESG profiles and ratings for index inclusions.

ESG and sustainability initiatives in general, are detailed elsewhere in this report, as we aim to satisfy all stakeholders' requirements and become one of the top ESG-active companies across our region, and the world.

The opening of the London Office too has been a major contributor towards building strong client relations.

We have also commenced dedicated client segment roadshows to promote new IPOs, Debt and Derivatives markets. The result of this suite of activities has been very promising, with the total number of QFIs increasing by 19% to reach 3,151 in 2022.

DERIVATIVES

We first launched derivatives products in 2020 with the introduction of index futures to the market, and steadily expanded our product offering to launch single stock futures (SSFs) in 2022. Derivatives markets globally play a significant role in providing the opportunity for cash market investors to hedge their portfolios or do directional trading. As a nascent market, our derivatives products cater to all investor segments. Our solution is underpinned by a solid regulatory framework, as well as best-in-class trading, clearing and risk management infrastructure and technology.

In 2022, approximately 1,000 contracts collectively valued at approximately SAR 100 Mn traded in our derivatives market across all index futures and SSF contracts. The activity was predominately led by local and regional institutions. While uptake from individual investors has not materialized thus far, increasing liquidity and the participation of investor types are challenges we are well equipped to tackle. By working alongside our brokerage community, we will focus our efforts on educating investors and increasing awareness, particularly on the benefits of utilizing these products in their portfolio strategies.

We are well aware of the knowledge and experience that can be gained from global exchanges across this vertical; derivatives market gestation periods range from three to five years on average, and we see clear, beneficial examples of this in India, Turkey, and Malaysia. Through such learnings integrated into a carefully planned growth strategy, we are committed to developing our derivatives market and realizing its success.

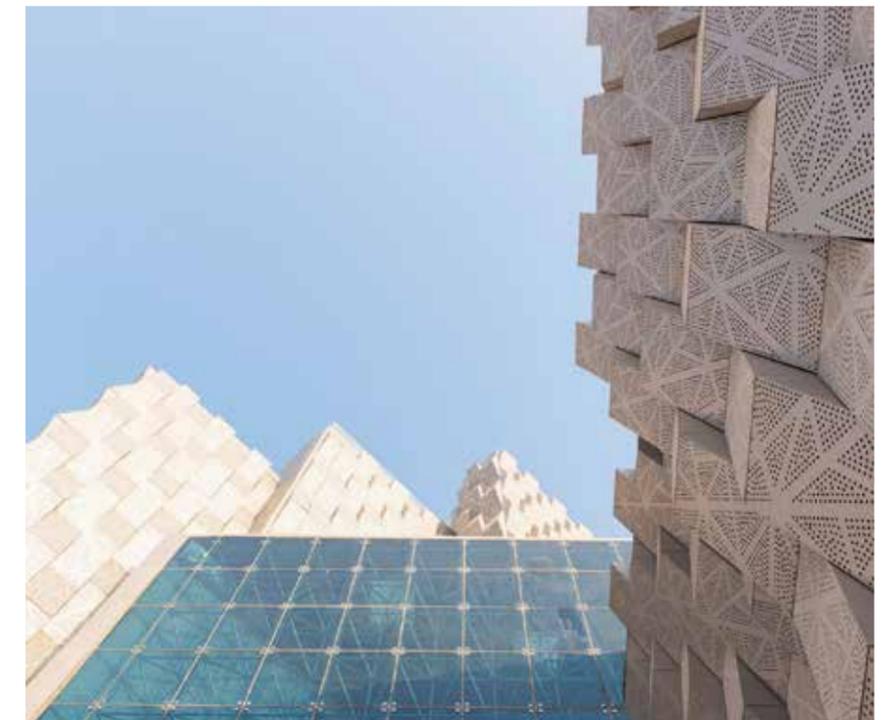
As we look ahead in the field of derivatives to 2023 and beyond, we plan the introduction of new products and services, such as Single Stock Options with physical delivery, as well as Market Making for both Single Stock Futures and Options.

The Saudi stock market is the 9th largest stock market in the world, and is the leading market in the Gulf Cooperation Council (GCC) region. It is the 3rd largest stock market amongst its emerging market peers, with market capitalization by the end of 2022 exceeding SAR 9.8 Tn (USD 2.6 Tn).

FAST FORWARD

Our development continues apace. For the coming year, we are working to provide services for high-frequency traders and algorithmic traders such as drop-copy and cancel-on-disconnect, request-for-quote functionality for negotiated deals, market making frameworks for debt and ETF markets, and enhancements in their closing price calculations. It is, as it was during 2022, a demanding portfolio of initiatives.

We have detailed and indicated numerous areas of business expansion and operational enhancement, which we hope to implement successfully as we continue our growth momentum. Such is the drive that has built, and will continue to build, our regional standing and our growing global reputation.





The Securities Depository Center Company
www.edaa.com.sa

The Securities Depository Center Company "Edaa", works to develop infrastructures and procedures to execute transactions in alignment with international standards. It also aims to enhance the efficiency of securities deposit and registration services in alignment with Saudi Vision 2030 by developing a more resourceful environment that fosters excellence within all capital market sectors.

VISION

POST-TRADE SERVICE PROVIDER OF CHOICE, BUILDING BRIDGES BETWEEN ISSUERS AND INVESTORS, DOMESTICALLY AND INTERNATIONALLY INSTITUTION.



OWNERSHIP

100% owned by the Saudi Tadawul Group



PAID UP SHARE CAPITAL
SAR 400 Mn



NUMBER OF SHARES

40 million shares of SAR 10 each



LOCATION

Kingdom of Saudi Arabia, Riyadh

MISSION

OFFER INNOVATIVE AND TRUSTED POST-TRADE PRODUCTS AND SERVICES IN LINE WITH HIGHEST INTERNATIONAL STANDARDS THAT CREATE VALUE FOR CLIENTS.

Key Activities and Services

- Operating and maintaining the Depository and Settlement System (DSS)
- Other value added services such as, management of issuers' general assemblies (AGM) including remote voting services (e-Voting), reporting, notifications, and maintenance of critical core data

"Edaa offers advanced post-trade services by establishing robust connections with international depository centers and bridging the gap between local issuers and international investors. Our goal is to support the development of the Saudi Capital Market and solidify its position among global capital markets as an advanced investment destination that attracts international investors. We take pride in our accomplishments, including the recent upgrade of our overall risk rating from A to A+ by Thomas Murray. This achievement is testament to our unwavering commitment to providing a globally competitive environment that enables international investors to capitalize on the opportunities presented by the Saudi market."

Raed Ibrahim Al-Humaid
CEO, Edaa



As the Group works to position Saudi Arabia into an international investment destination of choice, Edaa's role as the Group's securities depository center company remains integral in increasing access to the Saudi capital market, and enhancing opportunities for existing and potential investors and other market participants.

With depository considered a key pillar of the Group's new strategic framework, Edaa through its DSS system continued to maintain records of securities and their ownership. We facilitate a range of securities including equity, debt, Sukuk and bonds, ETFs, REITs, and mutual funds, and provide other management services including management of issuer's general meetings, e-voting, reporting and notifications.

We seek to improve access to the Saudi market by introducing linkages with foreign depository centers and by investing in associated infrastructure, to attract an increasing number of international investors.

We have brought in a number of substantial market enhancements during 2022, including a new central securities depository system. These significant infrastructure upgrades carried out as part of the Post-Trade Technology Program (PTTP) to align our depository with international financial markets infrastructures, and enhances the market experience for participants are key factors that contribute towards attracting more investors to our market.

Edaa's PTTP enhancements include:

- New central securities depository system and post-trade services in alignment with international standards
- Straight-through processing of ISO messaging

- Daily and adhoc reconciliation and reporting of participants

An increasingly sophisticated post-trade infrastructure provides investors and market participants with a wide range of investment opportunities and enables access to new and diversified financial instruments, to manage risk and benefit from market movements. Notably, it enhances services for entities such as capital market institutions and banks.

Within our clear strategic purpose, Edaa successfully completed a number of other functional projects. We have reformed the National Debt Management Centre (NDMC) issuance process by activating the issuer agent role and implementing the Delivery versus Payment (DvP) and Free of Payment (FoP) settlement mechanisms. We have also extended the settlement cycle for failed trade from T+2 to T+8, to increase the effective delivery of trades to clients.

A number of promising developments resulted from the links we nurtured and strengthened with other exchanges and International Central Security Depositories (ICSDs) over the past few years, including the MOUs signed with Abu Dhabi Securities Exchange (ADX). These agreements laid the groundwork for us to enter into cross listing during 2022, with the first dual listing on Saudi Exchange and ADX – where Americana Restaurants International PLC floated

30%, or 2.527 billion shares of its capital in a dual IPO. Edaa's contribution to this listing has been pivotal, through the establishment of our first investor SDC link, enabling the crucial daily realignment function between the two markets.

Earlier in 2020, an MOU was signed between Edaa and Clearstream (the post-trading services provider of Deutsche Börse Group), to facilitate access for investors in Saudi Arabia through cross-border links. This agreement commenced live operation in 2021, and was followed by the signing of another MOU in October 2021 with Euroclear Bank to foster links between the two depositories and enhance access for investors. This agreement went live in 2022.

Apart from giving investors direct access to the Saudi Capital Market, the MOUs with Euroclear Bank and Clearstream represent another area of important strategic achievement; Through this linkage with Edaa, Euroclear and Clearstream's eligible international investors will be able to invest directly in non-convertible debt instruments listed on the Saudi Exchange's Sukuk/Bonds Market without obtaining Qualified Foreign Investor (QFI) status.

Additionally, Edaa signed a Memorandum of Cooperation with Muscat Clearing & Depository. This will be highly valuable in strengthening

the relationship between the two companies. We will exchange experiences and information, and work together to develop the central depository in the two countries.

There are a number of particular transactions through the year to highlight:

- Successfully processed large IPO upload files:
 - Almasane Alkobra Mining, with 450,727 subscribers
 - Elm Co, with 406,726 subscribers
 - Aldawaa Medical Services Co. with 372,314 subscribers
 - Saudi Home Loans Co. with 215,626 subscribers
 - Alkhabeer Growth & Income Traded Fund with 174,785 subscribers
- Successfully processed large corporate actions post Go-live:
 - ARAMCO capital increase
 - Al Rajhi capital increase
 - Saudi Industrial Investment Group and Petrochemical Co. acquisition
 - CA Cash Dividend newly introduced in NCSD with 83 executed corporate actions
- Completion of transfer related to investor's securities from HSBC Saudi Arabia to Alawal INVEST Company

Other developments include:

- An upgrade of Edaa's Overall Risk Rating from "A" to "A+" with a Stable Outlook from global risk intelligence company Thomas Murray. The revision comes following several enhancements by the Group, including removal of pre-funding requirements, the introduction of a central counterparty in the cash market, via Muqassa, and the recent roll-out of enhancements to improve trade and post-trade services, including expanded settlement over three daily batches and buy-in facilities
- The publication of the first SDC Questionnaire in partnership with the Association of Global Custodian (AGC) which covers several topics such as settlement, ownership, participation, etc. and functions as a repository for those looking to enter the Saudi capital market.
- The formalization of a new SLA with SAMA as part of post-trade program. Due to changes in the settlement process this was needed to govern new cash settlement process

Numerous other developments lie ahead. A key element of the Kingdom's Vision 2030 is to bring international investors into our capital market. As the linkages with Clearstream and Euroclear build on the growing international realization of the value of access to the Saudi debt markets, we are committed to capitalizing on this tide of interest by continuing to invest in our infrastructure and systems. Moreover, we will reach out directly to foreign investors to better understand their needs, and to further improve their market experience.

With these commitments in place, Edaa has been reviewing its strategy through the second half of the year. The result is a new and ambitious growth plan. Elements of this include expanding the asset reach in Saudi Arabia, enhancing our capabilities as an asset servicing provider, and undertaking well thought-out steps to become a regional market player.

IN TABULATED KEY OPERATIONAL HIGHLIGHTS

503+ thousands
New Account Openings

102
Corporate Actions

6,000+
pledges

1.83+ million
Securities Transfers

96
New Issuances

10,881
Assets Under Custody
(SAR Billion)



The Securities Clearing Center Company
www.muqassa.sa

Muqassa is the clearing house of the Saudi Exchange. It works to reduce post-trade risk, provide a centralized counterparty risk management service and develop clearing services in accordance with international best practices.

VISION

TO BE A LEADING CLEARING HOUSE THAT FOSTERS FINANCIAL MARKET STABILITY.

MISSION

TO PROVIDE RELIABLE, EFFICIENT AND INNOVATIVE CLEARING SERVICES.



OWNERSHIP

100% owned by the Saudi Tadawul Group



PAID UP SHARE CAPITAL
SAR 600 Mn



NUMBER OF SHARES

60 million shares of SAR 10 each



LOCATION

Kingdom of Saudi Arabia, Riyadh

Key Activities and Services

- Central counterparty clearing services for all securities traded on the Saudi Exchange (Equities, Sukuk and Bonds, ETFs, REITs)
- Central counterparty clearing services for all securities traded on Derivatives Market
- Repo clearing services

"Muqassa plays a crucial role in the development of market infrastructure to enhance market efficiency and facilitate the creation of new products and services in the Saudi capital markets. Our aim is to position Muqassa as a regional clearing house that supports the attractiveness of our markets and expands access to investors in line with global best practices for risk management, and capital markets more broadly."

Wael Abdullah Al-Hazzani
CEO, Muqassa



Muqassa is one of the key pillar of the Financial Sector Development Program (FSDP). Muqassa plays a significant role in developing market infrastructure to enhance market efficiency and is essential for the development of new products and services in the Saudi capital markets.

Muqassa aligned with international best practice, as its works to reduces post-trade risks by providing a centralized counterparty and clearing services in accordance with international risk management best practices that align with global capital markets.

During the year 2022, Muqassa achieved a major milestone by activating Target Operating Model on Cash Market. Having commenced these cash market operations in April 2022, as we have accomplished one of the most significant bundle of enhancements in the market, it is an achievement resting on formidable professional and technical demands in terms of infrastructure assessment and development, solutions design and market readiness testing, together with accommodation to extensive regulatory changes.

The development has yet more to it. Previously, clearing services were not provided in the market. However, since April 2022, Muqassa introduced its clearing services to cover Exchange traded products on both cash and derivatives markets as well as REPO as an OTC product.

The introduction of this new model guarantee and confirm the transactions prior to settlement between the



Participants, to establish final positions for settlement. Muqassa clears exchange traded transactions on open offer basis, where Muqassa places itself between the counter parties at the time of matching.

Cash market, Repo and Single Stock Future (SSF) innovations build on our previous introduction of Index Futures (IF) clearing. As the nature of traded investment instruments expands, our services will be compatible and ready with this expansion, as we always work alongside the market and other stakeholders to obtain best practices and unique solutions.

Our commitment to implement international best practices, and responding to investor needs is also reflected through the extension of the changing the failed settled trades intended settlement date (ISD+8), which in turn, market participants will have an extension to obtain securities through the optional buy-in board. In addition to the possibility of obtaining securities from the main market and have trades settled before mandatory buy-in activated after Five business days from the intended settlement date (ISD), thus avoiding substitution and increasing the chances of delivering securities to clients effectively, which preserves the rights of all counterparties of the failed settled trade.

Turning to the Derivatives market, our role now is to work closely with Saudi Exchange and stakeholders to seek and create enhancements in the market, as the derivatives market operations are now fully operated by Muqassa, after it was fully operated by NASDAQ in 2020. We are sure that there are many opportunities available

for market development, as we work to provide market needs and the necessary attention to all products and services, which achieve and enhance added value.

It will be seen that a close understanding of Group objectives, and a close relationship with the Exchange is crucial to our role. Working side by side with the Exchange, our role at Muqassa required enhanced systems, methodologies and models in order to monitor trading management, the obligations of the members, and to cover counterparty risk. In each case, and in those yet to come, products are not to be activated in the market unless Muqassa is ready to clear them.

Costs are of central concern to us. In the areas of cash and securities release, the cost opportunities rest on the way we do the netting, and this will release some liquidity to the market. In terms of investor costs, we are determined to have the value of new services outweigh cost issues.

As demonstrated in reported activities, our working environment is fast paced. It is an environment we thrive in, identifying, accepting and meeting the challenges of an ever-growing, ever-enhanced capital market. Members and investors too face new challenges with new introductions. We dedicated our efforts to serve and support members in terms dealing with margins, trading limits, collaterals and other challenges as they emerge in members' operations.

Notably, in terms of operational efficiency, Muqassa has been able to develop and introduce its operations in these functions without requiring any major changes on its organization structure.

In staff training, we are part of all development plans concerning the Group as a whole, and include these plans in our annual training programs. We are highly fortunate in the scale and strength of our own in-house expertise, and emphasize day-to-day learning and upskilling via shared information and experience among our teams. Additionally, working side by side with NASDAQ and set of experts in the market, our local teams obtain first-hand externally experienced, and sector knowledge from experienced professionals.

We grow steadily together with the Group, and actively contribute to Group growth as a whole.



Tadawul Advanced Solutions Company (WAMID)
www.wamid.sa

WAMID is a pioneer in product and service innovation, delivering state of the art technology to provide value-add solutions for market participants and the wider business community. It was created to deliver pragmatic solutions to business problems. It is focused on developing the Saudi capital market through innovation, disruptive ideas and bold new product, service and digitalization initiatives.

VISION

WAMID IS THE GROUP'S TECHNOLOGY INNOVATION SUBSIDIARY TARGETING SAUDI AND REGIONAL CAPITAL MARKETS, PROVIDING INNOVATIVE SERVICES FOCUSING ON DATA AND AI, MARKET INFRASTRUCTURE AND DISRUPTIVE TECHNOLOGIES.



OWNERSHIP

100% owned by the Saudi Tadawul Group



PAID UP SHARE CAPITAL
SAR 75 Mn



NUMBER OF SHARES

30 million shares of SAR 10 each



LOCATION

Kingdom of Saudi Arabia, Riyadh

MISSION

TO PARTNER WITH MARKET PARTICIPANTS, AND THE WIDER BUSINESS COMMUNITY, TO BUILD AMBITIOUS AND DYNAMIC SOLUTIONS THAT LEVERAGE EMERGING TECHNOLOGIES TO ADDRESS REAL-WORLD CHALLENGES.

Key Focus Areas

- Enhance the investor experience in the market by advancing technology, underlying infrastructure and access to data, and acting as a hub for innovation.
- Facilitate technological infrastructure needed for introduction of new products and services.
- Build partnerships to drive innovation.

“As the innovation arm of Saudi Tadawul Group, Wamid empowers clients to unlock the full potential of data and technology, providing value-add solutions to tackle business challenges. Our acquisition of DirectFN positions us to introduce game-changing products and sophisticated data services to the Saudi capital market. We are confident that DirectFN’s agility, technology, and global reach will accelerate our long-term strategy and deliver unparalleled value to all market participants.”

Mohammed Al-Nory
CEO, WAMID



Our Group principles are built to last. This means they must be future-focused, and this is where WAMID comes in. WAMID has been established as the Group’s innovation hub. We are a leading-edge product development company with an emphasis on supporting the Saudi Capital Market. Our role is central to current and future Group achievement.

Our strategic pillars rest on three fundamental and practical concepts. First, the elevation of the Saudi Capital Market. Second, differentiated products and services. Third, to build WAMID’s capabilities as a fully-fledged innovator and incubator for the Group through talent acquisition, platforms and operating businesses.

Looking at each of these pillars more closely, as a stand-alone innovation company, we will directly generate autonomous recurring revenues by means of offering greenfield platforms and non-regulated services to Group and non-Group customers.

As the Group design and thinking hub, we work for and within the Group as a whole, generating and receiving a share of the incremental revenues created for Group subsidiaries.

As the path-finding tech services provider, we support the Group in finding, creating and implementing the platforms and infrastructure necessary to extract differentiated value from its data.

Among the major developments during 2022 is our co-location expansion. The service launched by WAMID offers trading participants (members and non-members) colocation via rack rental and connectivity within the Group’s Data Centre, thereby ensuring the lowest latency route possible to the



Group's trading services and products. The co-location service also reduces network complexity and unlocks critical high-speed connectivity for users. User acceptance and take-up is accelerating, with over 15 clients adopting the services at this early stage.

The co-location strategy and outcome will be increasingly visible in driving a diversity of sources of recurring revenue, as the resource is further taken up by domestic and international market participants.

The issue of diversifying revenues for the Group remains key to our current work and future focus. Thus, we also look outwards in order to identify, capture and create new, expandable and sustainable revenue streams.

In line with this intent, WAMID has now signed a Sale and Purchase Agreement to take a 51% stake in Financial Network Company LLC (DirectFN), increasing the reach of our capabilities, our talent and our commercial focus in regional markets.

The benefits will include capabilities enhancement, acceleration of our business plan execution, supporting local market participants' requirements, agility in new activities, revenue diversity and recurrence, as well as expanded geographical diversity and reach.

WAMID successfully completed the data monetization strategy during 2022, and set forth a major milestone for the project to be achieved in 2023. Additionally, we assessed a number of proposed initiatives throughout the

year via our incubation model prior to implementation. These initiatives included:

- **Private Market**
To offer a marketplace for a private company's ownership transfer.

- **KYC (Know Your Customer)**
To provide a platform that will help to assess and validate identity and risk appetite.

- **Prepaid Card**
To enable to receive listed companies' dividends on electronic card via VISA/Mastercard.

With regard to strengthening market infrastructure, such as in capital market trading or obtaining market information, WAMID is taking an active role in underpinning and developing these areas. In two specific outcomes, work on indices will help market information, and our attention to data will further enhance market efficiency. We are focused on development and implementation of a unique and agile product which, in release to the market, will act as a sophisticated calculation solution in support of the investment community. This work and the product outcome will also expand our entry into the larger market sector.

Other notable initiatives that were identified and initiated during 2022 includes APIs to automate the exchange of information data with market participants. A pilot project was launched in 2022 to collect and capture customer feedback and requirements to further enhance the service.

The implementation of a Shareholder's Platform was also initiated in order to automate the entire life cycle of the AGM and other meetings for the listed and unlisted companies.

An overall strategic vision such as ours, which drives our practical mission, has significant impacts on human resources and professional workloads. We thus seek to attract and retain highly skilled and dedicated professionals available to our company.

Apart from organic growth opportunities as a stand-alone company, we will look at collaborations with companies, as well as joint venture or further acquisition opportunities to expand our capabilities and market access. WAMID will also be looking to take equity positions as a venture builder, to create, accelerate and scale new businesses with the world's leading corporations and entrepreneurs.

As the innovation arm of Saudi Tadawul Group, our role is to create and seize future value by developing the Saudi Capital Market through Innovation, disruptive Ideas, and bold new digitalization initiatives.

DUAL LISTING – CASE STUDY

1st DUAL LISTING AND CONCURRENT IPO OF A NON-SAUDI COMPANY ON THE SAUDI EXCHANGE

The Saudi Tadawul Group achieved a major milestone in 2022 when Americana Restaurants International PLC (Americana Restaurants) dual listed on both the Saudi Exchange and Abu Dhabi Exchange (ADX), signifying the growing maturity of the Saudi capital market.

1st

- Dual Listing of a non-Saudi company on the Saudi Exchange with a market cap of over SAR 22 Bn (USD 6 Bn).
- Concurrent IPO across two GCC capital markets – the Saudi Exchange and ADX, with Americana Restaurants raising SAR 6.8 Bn (USD 1.8 Bn) from retail and institutional investors on both marks.
- A total of 820 million shares were traded across 97,000 trades for a total value traded of SAR 2.3 Bn across both Saudi Exchange and ADX providing significant liquidity across both markets.

With a value of USD 2.7 Tn as at end December 2022, **Saudi Arabia's capital market is one of the strongest and fastest-growing investment destinations in the world**, rapidly developing in terms of size, reach, liquidity and diversity, buoyed by the fastest growing economy in the world.

"SAUDI EXCHANGE" A LEADING POSITION:

- 9th largest stock exchange in the world, in terms of market capitalization
- Leading capital market in the GCC
- 3rd largest emerging stock market in the world in terms of market cap



“

We congratulate Americana Restaurants on its successful dual listing on the Saudi Exchange and ADX. Over the last few years, the Saudi Exchange has implemented a range of initiatives to enhance the infrastructure of the Saudi capital market. The dual listing of Americana Restaurants is the first of its kind to take place on the Saudi Exchange, paving the way for other non-Saudi issuers to offer their shares and list on the Saudi Exchange, contributing to further diversification and broadening of the opportunities available in the Saudi capital market.

”

Mr. Mohammed Al Rumaih
CEO of Saudi Exchange

Through the success of this flagship dual listing, we made significant progress in establishing Saudi Arabia as an advanced integrated capital market with a growing product offering, while expanding our regional, and global footprint through continued collaboration with international markets, to regulate and optimize our dual-listing processes.

In alignment with Vision 2030's Financial Sector Development Program, Saudi Exchange is committed to working alongside related authorities to improve procedures and simplify requirements for companies looking to list on the Saudi Exchange. This builds on the Exchange's vision to elevate its position locally, regionally, and internationally, as a lucrative destination for investors and issuers.



Governance Report



GOVERNANCE AT SAUDI TADAWUL GROUP

Governance is an important part of the values and practices of Saudi Tadawul Group, in which it seeks to support implementing the best corporate governance practices amongst the subsidiaries. In addition, the Company works towards raising the level of transparency and corporate integrity by maintaining the best governance practices based on the following:

1. Companies Law
2. Capital Market Law
3. Corporate Governance Regulations
4. Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies issued by CMA
5. Company By-laws

As such, the Company has developed a governance manual for the Group which was approved by the Board of Directors on 29/12/442H (corresponding to 8 August 2021G) in accordance with the relevant rules and regulations. The Company's internal governance aims to set out the overall functions required for implementation to facilitate the decision-making, enhance transparency, to ensure fairness and to protect the rights of shareholders and stakeholders. The governance manual includes; for example, the provisions relating to the following:

- Shareholders' rights.
- Rights related to the General Assembly Meeting.
- The Board of Directors, its composition, responsibilities, competencies and work procedures.
- Executive Management, its functions and responsibilities.
- Provisions relating to the Company's committees, their membership and meetings.

IMPLEMENTED AND NON-IMPLEMENTED PROVISIONS OF THE CORPORATE GOVERNANCE REGULATIONS

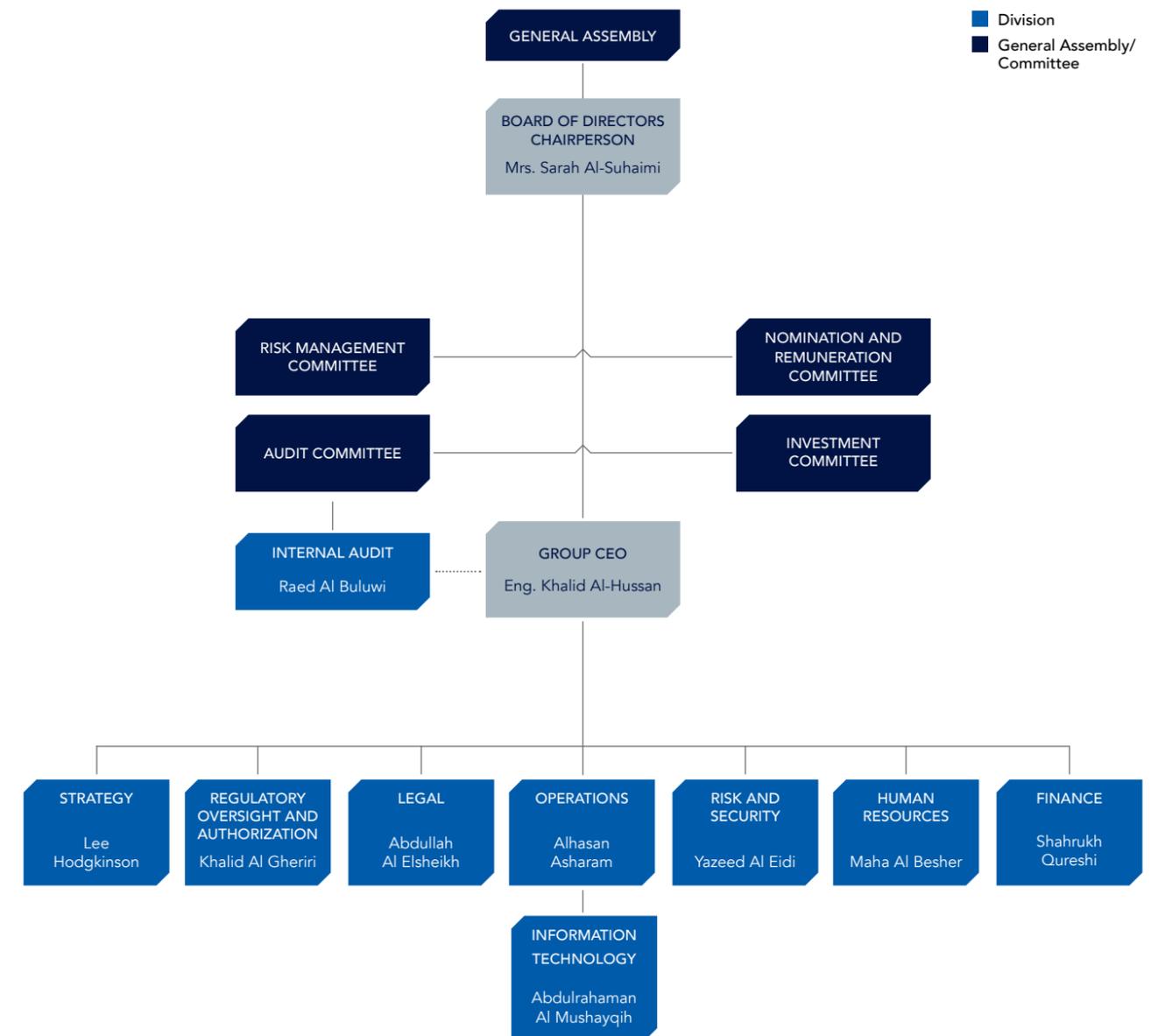
The Company applies all the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority ("CMA"), except the guiding provision quoted below:

Article No.	Article provision	Reasons
Article 54 – clause (B)	The Chairman of the Audit Committee shall be an Independent Director.	The formation of the Audit Committee, which includes more than two Independent Directors, achieves the independence required by the Corporate Governance Regulations in a way that carries out the Committee's duties.
Article 95	If the Board forms a Corporate Governance Committee, it shall assign to it the competences stipulated in Article (94) of these Regulations. Such Committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	Referring to Article 50 clause (1) which stipulates that "the Board shall form specialized committees as follows; (1) as may be needed depending on the Company's circumstances in order to enable it to effectively perform its duties". The Board of Directors does not see a need to form such specialized committees, since the Board and all its committees are performing their duties in a manner that reflects corporate governance principals and in accordance to the provisions of the Governance Manual.

SAUDI TADAWUL GROUP ORGANISATIONAL STRUCTURE

The Company has an organizational structure headed by the Board of Directors and supported by the Executive Management. The Board assumes the ultimate responsibility for the general direction, supervision and control of the Company and the Executive Management.

The below chart sets out the organizational structure of the Company.



SHAREHOLDER RIGHTS

Fair treatment of shareholders

1. The Board is obliged to seek shareholders' rights protection to ensure fairness and equality among them.
2. The Board and the Executive Management of the Company is obliged not to discriminate among shareholders who own the same type or class of shares nor prevent them from accessing any of their rights.
3. The Company shall specify in its internal policies the procedures that are necessary to guarantee that all shareholders exercise their rights.

Rights related to shares

All rights related to shares shall be guaranteed to the shareholder, and particularly the following:

1. To obtain his/her portion of the net profits which are to be distributed in cash or through the issuance of shares.
2. To obtain his/her share of the Company's assets upon liquidation.
3. To attend the General or Special Shareholders Assemblies, take part in their deliberations and vote on their decisions.
4. To dispose of his/her shares in accordance with the provisions of the Companies Law and the CML and their implementing regulations.
5. To enquire and request viewing the books and documents of the Company, including the data and information related to the activities of the Company and its operational and investment strategy without prejudice to the interests of the Company or breach of the Companies Law and the CML and their implementing regulations.
6. To monitor the performance of the Company and the activities of the Board.

7. To hold Board Members accountable, to file liability lawsuits against them and appeal for nullification of the resolutions of the General and Special Shareholders Assemblies in accordance with the conditions and restrictions provided in the Companies Law and the By-laws of the Company.
8. Preemptive rights to subscribe for new shares issued in exchange for cash unless otherwise specified in the Company's By-laws or when the Extraordinary General Assembly suspends the preemptive rights.
9. To request to view a copy of the Company's Articles of Association and By-laws unless the Company publishes them on its website.
10. To record his/her shares in the Company.
11. To nominate and elect the Board Members.

Shareholder access to information

1. The Board shall make available to the shareholder complete, clear, accurate and no misleading information to enable him/her to properly exercise his/her rights. Such information shall be provided at the proper times and shall be updated regularly.
2. The method used to provide information to the shareholders shall be clear and detailed and shall include a list of the Company's information that the shareholders may obtain. This information shall be made available to all shareholders of the same type or class.
3. The Company shall use the most effective methods in communicating with shareholders and shall not discriminate among shareholders in respect of providing information.

Communicating with shareholders

1. The Board shall ensure communication between the Company and the shareholders based on the common understanding of the strategic objectives and interests of the Company.
2. The Chairperson of the Board and the Chief Executive Officer shall inform the remaining Board Members of the opinions of the shareholders and discuss these opinions with them.
3. No shareholder may intervene in the operations of the Board or the work of the Executive Management of the Company unless he/she is a member of its Board or its Management team; or unless his/her intervention is through the Ordinary General Assembly according to its powers or within the limits and situations permitted by the Board.

DISCLOSURE AND TRANSPARENCY POLICY

Disclosures

- a. The Company is obliged to disclose any substantial developments that fall within its activity and whose knowledge is not available to the general public and may affect its assets and liabilities, financial position or the general course of its business or subsidiaries, and may lead to a change in the price of its listed securities or significantly affect its ability to meet its debt obligations.
- b. The Company is obliged to disclose, in the Annual Report of the Board of Directors, in accordance with the statutory requirements to which the Company is subject.
- c. The Company is obliged to disclose the Company's financial information in accordance with the statutory requirements and relevant legal requirements and regulations.

- d. The Company is committed to developing policies and procedures related to the disclosure of conflicts of interest to all other stakeholders of the Company.

Means of disclosure

The Company is committed to making disclosure to shareholders and stakeholders without discrimination, in a timely, regular and accurate manner, and through appropriate disclosure means to the Company's shareholders and stakeholders, including but not limited to:

1. Company's website
2. Reports issued by the Board of Directors of the company

The Company must comply with any time-limits or other disclosure means specified by the relevant regulators.

Clarity and validity of disclosures

- a. The disclosure must only be clear, true, not misleading or incomplete, and for all shareholders and stakeholders alike without any distinction between one group and another.
- b. The Company is obliged not to ignore any statement to which it is bound by regulations.

Dividends Policy

- a. After deduction of all overheads and other costs, the annual net profits of the Company shall be distributed as follows:
 1. Ten percent (10%) of the net profits shall be retained to form a statutory reserve. The Ordinary General Assembly may discontinue such retention if the reserve reaches 30% of the paid capital.
 2. The Ordinary General Assembly may, based on a proposal by the

Board, retain a percentage of the net profits to form an additional reserve to be allocated for a certain purpose(s).

3. The Ordinary General Assembly may resolve to retain other reserves to the extent that serves the Company's interest or ensures, as far as possible, consistent distribution of dividends to shareholders. The Assembly may also deduct from the net profits amounts to establish social institutions for the Company's employees or to assist existing institutions.
4. The Board may recommend distribution of a certain percentage of the remaining profits to shareholders. The Company may distribute quarterly or semiannual dividends following satisfaction of liabilities of related bodies.
- b. The Board must include in its annual report submitted to the General Assembly the portion of dividends distributed to shareholders during different periods of the financial

Paid dividends

The following are the proposed dividends for the year 2022 compared to the dividends for the year 2021.

	2022 (Recommended)	2021
Distribution date	Will be determined following AGM Approval	2022-05-23
Dividend per share (SAR)	2.31	3.00
Total proposed dividends (SAR)	277.1	360

The procedure taken by the Board to inform its members, Non-Executive Directors in particular, of the shareholders' suggestions and remarks on the Company and its performance

Where applicable, the Board Members are informed through the Chairperson, of the shareholders' suggestions and remarks on the Company and its performance.

General Assembly Meetings

Position	Name	General Assembly	
		EGM 1443/10/11 2022/05/12	OGM 1444/06/04 2022/12/28
Mrs. Sarah J Al-Suhaimi	Chairperson	✓	✓
Mr. Yazeed A Al Humaid (a representative of Public Investment Fund "PIF")	Vice-Chairperson	✓	✓
Eng. Khalid A Al-Hussan	Member	✓	✓
His Excellency Mr. Youssef A Al-Benyan*	Member	✓	(N/A)
Ms. Rania M Nashar (a representative of Public Investment Fund "PIF")	Member	✓	✓
Mr. Mark Stephen Makepeace (a representative of Public Investment Fund "PIF")	Member	✓	✗
Mr. Sabti S Al-Sabti (a representative of Public Investment Fund "PIF")	Member	✗	✗
Mr. Hashem G Al Hekail	Member	✗	✓
Mr. Xavier R Rolet (a representative of Public Investment Fund "PIF")	Member	✗	✗

* The membership of His Excellency Mr. Youssef A Al-Benyan came to an end on 28/09/2022G.

Investor relations

The Group's Investor Relations Department is committed to implement a best-in-class investor engagement programme, as part of its ongoing contribution to the Group's growth and positioning. Building on the successful IPO in 2021, during 2022, the function's focus was on enabling local, regional, and international investors for easy and efficient access to the Group and its executives while providing them with timely, transparent and accurate Group's financial and operational performance.

In order to execute on its objectives, in 2022, the Investor Relations Department conducted over 251 meetings with investors, including both potential and existing investors. The function also delivered four quarterly earnings calls and participated in investor roadshows, aligning the Group's investor relations activities with the best international practices. The Group remains committed to a high level of disclosure and transparency, in line with the Group's governance practices.

Shareholder composition

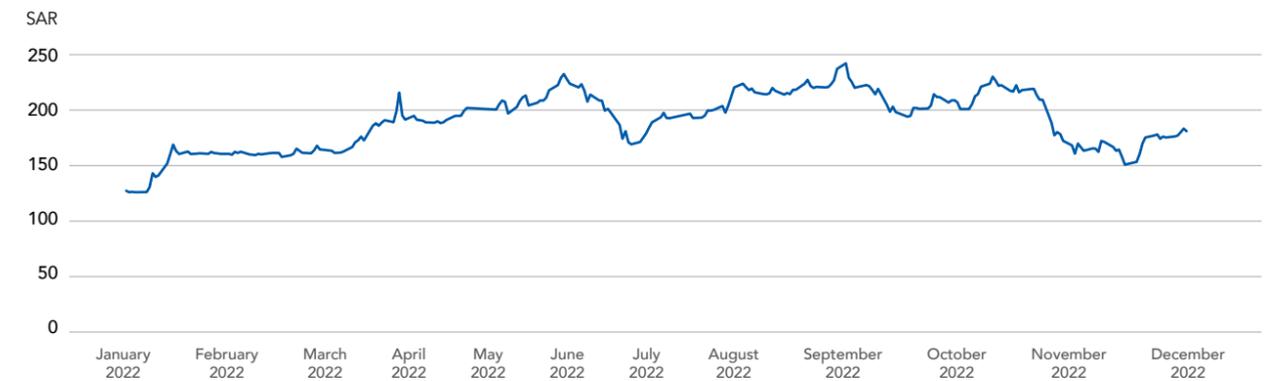
Type of Investors	Percentage (%)
Corporate investors	84.01
Individual Investors	15.99

Nationalities of Investors	Percentage (%)
Saudi	78.23
Others	21.77

Substantial shareholders

Ownership of 5% and more of the issued shares	Beginning of the year		End of the year	
	Number of shares	Ownership (%)	Number of shares	Ownership (%)
Public Investment Fund	84,000,000	70	72,000,000	60
Public	36,000,000	30	48,000,000	40
Total	120,000,000	100	120,000,000	100

SHARE PRICE PERFORMANCE



Shareholders records requests

Highest Price – 4 September 2022	243.2
Lowest Price – 3 January 2022	125
Closing Share Price – 29 December 2022	181
YOY (%)	43.88

Number of shareholders records requests	Date of request	Reason
1.	01/04/2022	Periodic Reports
2.	02/06/2022	Periodic Reports
3.	03/03/2022	Periodic Reports
4.	04/03/2022	Periodic Reports
5.	05/10/2022	AGM
6.	20/06/2022	Periodic Reports
7.	08/09/2022	Periodic Reports
8.	09/11/2022	Periodic Reports
9.	10/04/2022	Periodic Reports
10.	11/06/2022	Periodic Reports
11.	12/08/2022	Periodic Reports

Financial calendar*

Financial Results	Date
Q1 2022 Interim Consolidated Financial Results Announcement	16 – 27 April 2023
Q2 2022 Interim Consolidated Financial Results Announcement	23 – 27 May 2023
Q3 2022 Interim Consolidated Financial Results Announcement	22 – 26 October 2023

*Announcement dates for Financial Results are preliminary and subject to change.

BOARD OF DIRECTORS
Composition of the Board of Directors

The Board of Directors composed of nine (9) members elected by the Ordinary General Assembly for a period of three (3) years, renewable

for one or more terms. The Ordinary General Assembly in its meeting dated 28 December 2022 elected the Board Members for the new term for a period of three (3) Gregorian years commencing on 02/01/2023G until 01/01/2026G. We note that the members of the Board were elected for the previous

term, which began on 07/05/1441 AH (corresponding to 02/01/2020G) for a period of three (3) years under the General Assembly's Extraordinary Meeting held on 07/05/1441 AH (corresponding to 02/01/2020), which ended on 01/01/2023G.

New term of the Board of Directors:

Name	Position	Nationality	Appointment date	Status
Mrs. Sarah Jammaz Al-Suhaimi	Chairperson	Saudi	02/01/2023	Independent
Mr. Yazeed A Al Humaid (a representative of Public Investment Fund "PIF")	Vice-Chairperson	Saudi	02/01/2023	Non-Executive
Eng. Khalid A Al-Hussan	Member	Saudi	02/01/2023	Executive
Ms. Rania M Nashar (a representative of Public Investment Fund "PIF")	Member	Saudi	02/01/2023	Non-Executive
Mr. Sabti S Al-Sabti (a representative of Public Investment Fund "PIF")	Member	Saudi	02/01/2023	Non-Executive
Mr. Mark S Makepeace (a representative of Public Investment Fund "PIF")	Member	British	02/01/2023	Non-Executive
Mr. Hashem O Al Hekail	Member	Saudi	02/01/2023	Independent
Mr. Xavier R Rolet (a representative of Public Investment Fund "PIF")	Member	French	02/01/2023	Non-Executive
Eng. Sultan A AlDeghather	Member	Saudi	02/01/2023	Independent

Previous term of the Board of Directors:

Name	Position	Nationality	Appointment date	Status
Mrs. Sarah Jammaz Al-Suhaimi	Chairperson	Saudi	02/01/2020	Independent
Mr. Yazeed A Al Humaid (a representative of Public Investment Fund "PIF")	Vice-Chairperson	Saudi	02/01/2020	Non-Executive
His Excellency Mr. Youssef A Al-Benyan*	Member	Saudi	02/01/2020	Independent
Eng. Khalid A Al-Hussan	Member	Saudi	02/01/2020	Executive
Ms. Rania M Nashar (a representative of Public Investment Fund "PIF")	Member	Saudi	02/01/2020	Non-Executive
Mr. Sabti S Al-Sabti (a representative of Public Investment Fund "PIF")	Member	Saudi	02/01/2020	Non-Executive
Mr. Mark S Makepeace (a representative of Public Investment Fund "PIF")	Member	British	02/01/2020	Non-Executive
Mr. Hashem O Al Hekail	Member	Saudi	02/01/2020	Independent
Mr. Xavier R Rolet (a representative of Public Investment Fund "PIF")	Member	French	02/01/2020	Non-Executive

(*) – The membership of His Excellency Mr. Youssef Abdullah Al-Benyan came to an end on 28/09/2022G in reference to the Royal Decree issued on 27 September 2022, to appoint HE Youssef Abdullah Mohammed Al-Benyan as the Education Minister.

Board of Directors Biographies



MRS. SARAH JAMMAZ AL-SUHAIMI

Chairperson of the Board of Directors/ Independent



MR. YAZEED ABDULRAHMAN AL-HUMAIID*

Vice Chairman/Non-Executive



HIS EXCELLENCY MR. YOUSEF ABDULLAH AL-BENYAN

Member – Independent Until 28 September 2022



ENG. KHALID ABDULLAH AL-HUSSAN

Member/Executive



MS. RANIA MAHMOUD NASHAR*

Member/Non-Executive



MR. SABTI SULAIMAN AL-SABTI*

Member/Non-Executive



MR. MARK MAKEPEACE*

Member/Non-Executive



MR. HASHEM OTHMAN AL-HEKAIL

Member/Independent



MR. XAVIER R. ROLET KBE*

Member/Non-Executive

* A representative of Public Investment Fund "PIF"

MRS. SARAH JAMMAZ AL-SUHAIMI

Chairperson of the Board of Directors/ Independent

Mrs. Sarah Al-Suhaimi is the Chairperson of the Saudi Tadawul Holding Group Board of Directors, which is considered the largest exchange in the Middle East. In her capacity, Mrs. Al-Suhaimi spearheads Tadawul’s efforts to integrate the Saudi capital market with global peers by way of aligning the platforms operations and governing regulations.

Mrs. Al-Suhaimi is also the Chairperson of Lazard Ltd. in Saudi Arabia, the Middle East and North Africa, and a Board Member at the Saudi Telecom Company and the Saudi Arabian Airlines Public Agency and the Cultural Development Fund. In addition, Mrs. Al-Suhaimi is a trustee of the International Financial Reporting Standards Foundation and Director of the Regional Voluntary Carbon Market Company.

Mrs. Al-Suhaimi served as the CEO of Saudi National Bank Capital (SNB Capital) from 2014 to 2021 and was a member of the Board of Directors. During her tenure, AUMs grew by over four times, NCBC’s brokerage market share increased by more than 10% and the bank executed multiple large investment banking mandates earning league table status in DCM and M&A.

Mrs. Al-Suhaimi served a two-year term as Vice-Chairperson of the Advisory Committee of the Capital Market Authority (CMA) Board of Directors from 2013 to 2015.

Prior to that, Mrs. Al-Suhaimi led the Asset and Wealth Management Division at Jadwa Investment Company, where she was also the Chief Investment Officer from 2007 to 2014, and a

member of the firms’ Management Committee. Mrs. Al-Suhaimi started her career within asset management at Samba Capital.

Mrs. Al-Suhaimi holds a Bachelor’s Degree in Accounting with Honors from King Saud University, and completed the General Management program in Harvard Business School.

Memberships

Current memberships and positions

- Independent Director, Saudi Telecom Company (STC), a Saudi Listed Joint Stock Company
- Investment Committee Member, Saudi Telecom Company (STC), a Saudi Listed Joint Stock Company
- Independent Director, SAUDIA, a Saudi Public Institution
- Audit Committee Member, SAUDIA, a Saudi Public Institution
- Independent Director, Cultural Development Fund, a Saudi Governmental Fund
- Director, Child Care Association, a Saudi private organization
- Board of Trustees Member, IFRS Foundation, a non-profit organization in the UK
- Director, Regional Voluntary Carbon Market Company.

Previous memberships and positions

- Executive Director, SNB Capital Company, a Saudi Closed Joint Stock Company
- CEO, SNB Capital Company, a Saudi Closed Joint Stock Company
- Advisory Committee Vice-Chairperson, Capital Markets Authority (CMA), a Saudi Government Authority
- Head of Asset and Wealth Management and Chief Investment Officer, Jadwa Investment, a Saudi Closed Joint Stock Company.

MR. YAZEED ABDULRAHMAN AL-HUMAIID

Vice Chairman/Non-Executive (a representative of Public Investment Fund “PIF”)

Mr. Al-Humaid is the Deputy Governor and the Head of MENA Investments at the Public Investment Fund (PIF), where his responsibilities include managing two key investment pools: Saudi Equity Holdings and Saudi Sector Development with a significant number of key assets under management.

His responsibilities also include attracting international strategic partners and other entities to Saudi Arabia – both for investing as well as to localize cutting edge technologies – thus enabling PIF to effectively execute its role as a driver of the Kingdom’s economy.

Mr. Al-Humaid joined PIF in 2015 as an Advisor to His Excellency the Governor of PIF - to contribute to the restructuring of the organization as well as for crafting its strategy - post its reallocation to Council of Economic and Development Affairs (CEDA). In 2016, he was appointed as the Chief of Staff while retaining his advisory post. As Chief of Staff, he was responsible for a number of outstanding achievements and accomplishments that included contributing to the development of the PIF updated strategy and business plan; managing PIF investment projects from inception to becoming established companies; developing a comprehensive governance model for PIF portfolio companies along with establishing the foundations and mechanisms for representations in the Boards of Directors of PIF portfolio companies, developing several international strategic partnerships, and enhancing PIF relations to become an enabler to other local entities.

In addition to his tenure at PIF, Mr. Al-Humaid’s career spans in excess of 18 years of extensive and valuable experience in both financial and management fields; working in a leading international company PricewaterhouseCoopers as well as the House of National Consulting from 2004 to 2008 - thereafter joining the Capital Market Authority (CMA) until 2015. During this period, he headed the Mergers and Acquisitions team and was exposed to leading international investment practices as he also got seconded to work at the Malaysian Securities Commission and the regulatory body of mergers and acquisitions in the United Kingdom. He also served as Advisor to HE the Chairman of CMA, enabling him to develop a comprehensive understanding of CMA and its practices.

It is also notable to mention that Mr. Yazeed Al-Humaid’s contributions within PIF extend beyond his executive roles by virtue of his various memberships in permanent committees of PIF such as the Management Committee, the Portfolio Companies Nomination Committee, Management Investment Committee, Management Risk Committee and the Management Liquidity Committee. His contributions also extend beyond the organizational boundaries of PIF with appointments such as the Chairman of the National Security Services Company, Vice Chairman for the Saudi National Bank, the Saudi Tadawul Holding Group, Saudi Telecom Company (STC), and Saudi Egyptian Investment Company and memberships in Boards of Directors of several companies such as Saudi Arabian Airlines, Civil Aviation Holding, Richard Attias & Associates and Flyadeal in addition to also being a member in several subcommittees of the aforementioned Boards of Directors.

Mr. Yazeed Al-Humaid holds a Bachelor’s Degree in Accounting from the King

Saud University, along with being certified in Executive Management programs of several top tier international academic institutions such as the London Business School.

Memberships

Current memberships and positions

- Deputy Governor and Head of MENA Investments, Public Investment Fund (PIF), a Saudi Government Fund
- Non-Executive Chairman, National Security Services Company (SAFE), a Saudi Closed Joint Stock Company
- Non-Executive Vice Chairman, Saudi National Bank (SNB), a Saudi Listed Joint Stock Company
- Non-Executive Vice Chairman, Saudi Egyptian Investment and Finance Company, a Closed Joint Stock Company in Egypt
- Non-Executive Vice Chairman, Saudi Telecom Company (STC), a Saudi Listed Joint Stock Company
- Non-Executive Director, Matarat Holding, a Saudi Closed Joint Stock Company
- Independent Director, Richard Attias & Associates, a Limited Liability Company in the UAE
- Non-Executive Director, SAUDIA, a Saudi Public Institution
- Non-Executive Director, flyadeal, a Saudi Closed Joint Stock Company
- Member of the Board of Directors of the Saudi Civil Aviation Holding Company
- Non-Executive Board Member of the Red Sea Cruise Ships Company, a Saudi closed joint stock company.

Previous memberships and positions

- Head of Local Holding Investments, Public Investment Fund (PIF), a Saudi Government Fund
- Chief of Staff, Public Investment Fund (PIF), a Saudi Government Fund.

- Advisor, Public Investment Fund (PIF), a Saudi Government Fund
- Manager of M&A Department, Capital Markets Authority (CMA), a Saudi Government Authority
- Chairman Advisor, Capital Markets Authority (CMA), a Saudi Government Authority
- M&A Senior Specialist, Capital Markets Authority (CMA), a Saudi Government Authority.

HIS EXCELLENCY MR. YOUSEF ABDULLAH AL-BENYAN

Member – Independent Until 28 September 2022

Referring to Royal Decree No. A/62 of 1 March 1444 A.H., appointing His Excellency Mr. Yousef Abdullah Al-Benyan as Minister of Education.

His Excellency previously worked as CEO, Vice-Chairperson and Board Member, and a member of the Investment Committee in the Saudi Basic Industries Corporation (SABIC), He was also the Chairperson of several Boards, such as: The Board of SABIC Agri-Nutrients Company, SABIC for investment and content (Nusaned), the Business 20 (B20) for the Group of Twenty (G20), Gulf Petrochemicals and Chemicals Association (GPCA) and was also the Chairperson of the Petrochemical Manufacturers Committee.

Furthermore, Mr. Al-Benyan was a member of the Board of Directors of US – Saudi Arabia Council, the Global Business Council of the Bloomberg Global Forum, Saudi Information Technology Company, the Saudi General Authority of Foreign Trade, the Royal Commission for Jubail and Yanbu, Saudi Ports Authority, Saudi Tadawul Holding Group, Boao Forum for Asia (PFA), the Constituent Council of Future

Transportation Sector Development Project, the International Council of Chemical Associations (ICCA), and the Research, Developments and Innovation Committee.

Before he was appointed as the CEO of SABIC His Excellency worked as Deputy Chief Financial Officer, and Executive Vice President of the strategic Chemicals Business Unit and the Human Resource Unit.

He obtained a Bachelor's Degree in Economics and a Master's Degree in Industrial Management.

Memberships

Current memberships and positions

- Minister of Education, Saudi Arabia*

Previous memberships and positions

- Non-Executive Director, SABIC Agri-Nutrients Company, a Saudi Listed Joint Stock Company
- Vice Chairman, Saudi Basic Industries Corporation (SABIC), a Saudi Listed Joint Stock Company
- Investment Committee Member, Saudi Basic Industries Corporation (SABIC), a Saudi Listed Joint Stock Company
- Non-Executive Chairman, SABIC Investment and Local Content Development Company (Nusaned Investment), a Saudi Closed Joint Stock Company
- Non-Executive Director, Saudi Information Technology Company (SITE), a Saudi Closed Joint Stock Company
- Remuneration and Nomination Committee Chairman, Saudi Information Technology Company (SITE), Saudi Closed Joint Stock Company

- CEO, Saudi Basic Industries Corporation (SABIC), a Saudi Listed Joint Stock Company.
- Non-Executive Chairperson, Yanbu National Petrochemical Company (Yansab), a Saudi Listed Joint Stock Company
- Non-Executive Chairperson, Saudi Iron and Steel Company, a Saudi Limited Liability Company
- Director, Power and Water Utility Company for Jubail and Yanbu (Marafiq), a Saudi Closed Joint Stock Company
- Chairperson, Saudi Yanbu Petrochemical Company (YANPET), a Saudi Listed Joint Stock Company.
- Chairperson, Al-Jubail Petrochemical Company (Kenya), a Saudi Limited Liability Company
- Executive Vice President of Corporate Finance, Saudi Basic Industries Corporation (SABIC), a Saudi Listed Joint Stock Company
- Executive Vice President of Petrochemicals, Saudi Basic Industries Corporation (SABIC), a Saudi Listed Joint Stock Company.

ENG. KHALID ABDULLAH AL-HUSSAN

Member/Executive

Eng. Khalid Abdullah Alhussan is a Board Member and the Chief Executive Officer of Saudi Tadawul Group. He also serves as the Chairperson of the Saudi Exchange, the Securities Depository Center Company (Edaa), the Securities Clearing Center Company (Muqassa), WAMID, an applied technology services business and the innovation arm of Saudi Tadawul Group. Additionally, Eng. Khalid is a Board Member in the World Federation of Exchanges (WFE) and Tadawul Real Estate Company, and E-finance for Digital & Financial Investments Company.

Eng. Khalid has more than 16 years of capital market and financial sector experience and possesses a wide range of expertise from business development and corporate planning to strategy and operations. Preceding his appointment as CEO of the Group, Eng. Khalid was the CEO of The Saudi Stock Exchange (Tadawul) – now known as the Saudi Exchange – for more than 5 years.

Throughout his tenure at the Exchange, Eng. Khalid has overseen the introduction and implementation of several key development programmes, including the Qualified Foreign Investor (QFI) framework, the inclusion of Tadawul in the emerging markets' indices, the launch of Nomu and the derivative markets, the development of the fixed income market and the record-setting IPO of Saudi Aramco. Notably and most recently, led the transformation into the Saudi Tadawul Group.

Prior to joining the Exchange, Eng. Khalid worked in the insurance sector, managing areas of business product development and strategy.

Eng.Khalid is an engineer and holds an MBA from the University of Colorado, where he is also a certified entrepreneur.

Memberships

Current memberships and positions

- Non-Executive Chairperson, Securities Clearing Center Company (Muqassa), a Saudi Closed Joint Stock Company
- Non-Executive Chairperson, Saudi Exchange Company, a Saudi Closed Joint Stock Company
- Non-Executive Chairperson, Securities Depository Center Company (Edaa), a Saudi Closed Joint Stock Company
- Non-Executive Chairperson, Tadawul Advanced Solutions Company (WAMID), a Saudi Closed Joint Stock Company

- Non-Executive Director, World Federation of Exchanges, a non-profit global federation of capital markets in the UK
- Non-Executive Director, Tadawul Real Estate Company, a Saudi Limited Liability Company
- Regulatory Policy and Oversight Committee Member, Securities Clearing Center Company (Muqassa), a Closed Joint Stock Company
- Compliance Committee Chairperson, Securities Clearing Center Company (Muqassa), a Saudi Closed Joint Stock Company
- Information Technology Committee Chairperson, Securities Clearing Center Company (Muqassa), a Saudi Closed Joint Stock Company
- Regulatory Policy and Oversight Committee Member, Saudi Exchange Company, a Saudi Closed Joint Stock Company
- Compliance Committee Chairperson, Saudi Exchange Company, a Saudi Closed Joint Stock Company
- Information Technology Committee Chairperson, Saudi Exchange Company, a Saudi Closed Joint Stock Company
- Regulatory Policy and Oversight Committee Member, Securities Depository Center Company (Edaa), a Saudi Closed Joint Stock Company
- Compliance Committee Chairperson, Securities Depository Center Company (Edaa), a Saudi Closed Joint Stock Company
- Information Technology Committee Chairperson, Securities Depository Center Company (Edaa), a Saudi Closed Joint Stock Company
- Non-Executive Board Member, E-finance for Digital & Financial Investments Company.

Previous memberships and positions

- Director, Arab Federation of Exchanges, a non-profit Arab federation of capital markets in Lebanon
- Audit Committee Member, Tadawul Real Estate Company, a Saudi Limited Liability Company
- Regulatory Policy and Oversight Committee Member, Saudi Tadawul Group [formerly known as Saudi Stock Exchange (Tadawul)], a Saudi Listed Joint Stock Company
- Advisory Committee Member, Capital Markets Authority (CMA), a Saudi Government entity
- Acting Executive Director, Saudi Tadawul Group [formerly known as Saudi Stock Exchange (Tadawul)], a Saudi Listed Joint Stock Joint Stock Company
- Chief of Markets, the Company Saudi Tadawul Group [formerly known as Saudi Stock Exchange (Tadawul)], a Saudi Listed Joint Stock Company
- Chief of Assets and Deposit, the Company Saudi Tadawul Group [formerly known as Saudi Stock Exchange (Tadawul)], a Saudi Listed Joint Stock Company
- Chief of Strategy, the Company Saudi Tadawul Group [formerly known as Saudi Stock Exchange (Tadawul)], a Saudi Listed Joint Stock Company
- General Manager of Strategy, Company for Cooperative Insurance (Tawuniya), a Saudi Listed Joint Stock Company.

MS. RANIA MAHMOUD NASHAR

Member/Non-Executive (a representative of Public Investment Fund "PIF")

Ms. Rania Nashar joined the Public Investment Fund (PIF) as a Senior Advisor to the Governor in February 2021, where she advises His Excellency Yasir Al-Rumayyan, Governor of PIF, in areas of Business and Governance, drawing on more than 20 years of professional experience in the banking industry. In addition, she is the Head of Compliance and Governance at the Public Investment Fund and the Chairperson of the Regional Voluntary Carbon Market Company.

Prior to joining PIF, Ms. Nashar served as the CEO of Samba Financial Group (SFG), making her the first Saudi woman to lead a major banking group in the Kingdom of Saudi Arabia. She first joined SFG in 1997 at the start of her banking career, where she served in various positions across different divisions of the Group and played a pivotal role in bringing vital changes and developments to SFG's business sectors.

Ms. Nashar also holds various other leadership and advisory positions. During her time at SFG, she served as Vice Chair of the Samba Capital Board and as a Board Member of Samba Bank Limited in Pakistan, Samba Global Markets Limited. She also served as a Board Member at Institute of International Finance "IIF" in USA.

In March 2019, the Board of the Capital Market Authority of Saudi Arabia (CMA) appointed Ms. Nashar as Vice Chair of the CMA Advisory Committee. Ms. Nashar also serves as Board Member of STC, the Saudi Stock Exchange, the National Center for

Performance Measurement, Saudi Space Commission and Saudi Polo Federation. Also, she chairs the Audit Committee at FII.

Some of Ms. Nashar's other major achievements throughout her career include becoming the first Saudi women to lead the audit and risk review functions for all business and operations areas at SFG, including investment business, corporate and individual banking, and risk management. She is also the first woman in the GCC financial sector to lead a compliance group and first Saudi woman to be named a certified anti-money laundering specialist by the Association of Certified Anti-Money Laundering Specialists (ACAMS) in the USA. During KSA G20 Presidency Rania chaired the B20 Women in Business Action Council and G20 EMPOWER Alliance. Currently, she is serving as a Co-Chair in Action Council for B20 Women in Business

Ms. Nashar holds a Bachelor's degree with Honours in computer science and technology from Kind Saud University. She has been recognized by Forbes on multiple occasions for her professional achievements, being named among the Top 100 Powerful Women in the World in 2018, 2019 and 2020.

Memberships

Current memberships and positions

- Non-Executive Director, Saudi Telecom Company (STC) a Saudi Listed Joint Stock Company
- Director, The National Center for Performance Measurement (Adaa), a Saudi government entity
- Director, Saudi Space Commission, a Saudi government entity.
- Director, Saudi Polo Federation, a Saudi sport federation

- Risk Committee Chairperson, Saudi Telecom Company (STC), a Saudi Listed Joint Stock Company
- Remuneration and Nomination Committee Member, Saudi Telecom Company (STC), a Saudi Listed Joint Stock Company
- Audit Committee Chairperson, The National Center for Performance Measurement (Adaa), a Saudi Government entity
- Head of Compliance and Governance, Public Investment Fund (PIF), a Saudi Government fund
- Audit Committee Chairperson, Future Investment Initiative Institute, a Saudi non-profit civil institution
- Executive Committee Member, Saudi Space Commission, a Saudi Government entity
- Remuneration and Nomination Committee Member, Saudi Space Commission, a Saudi Government entity
- Audit Committee Member, Saudi Space Commission, a Saudi Government entity
- Governor Advisor, Public Investment Fund (PIF), a Saudi Government fund.
- Chairperson, Regional Voluntary Carbon Market Company.

Previous memberships and positions

- Non-Executive Vice Chairperson, Samba Capital and Investment Management Company, a Closed Joint Stock Company
- CEO, Samba Financial Group (currently known as Saudi National Bank), a Saudi Listed Joint Stock Company
- Audit Committee Member, Samba Bank Limited, a Listed Joint Stock Company in Pakistan
- Remuneration and Nomination Committee Member, Samba Bank

- Limited, a Saudi Listed Joint Stock Company in Pakistan
- Chief of Audit and Executive Review, Samba Financial Group (currently known as Saudi National Bank), a Saudi Listed Joint Stock Company
- National Bank, a Saudi Listed Joint Stock Company
- Chief of Compliance, Samba Financial Group (currently known as Saudi National Bank), a Saudi listed joint stock company
- Director, Samba Global Markets Limited, a Limited Liability Company in Cayman Island
- Non-Executive Director, Samba Bank Limited, a Listed Joint Stock Company in Pakistan.

MR. SABTI SULAIMAN AL-SABTI

Member/Non-Executive (a representative of Public Investment Fund "PIF")

Mr. Sabty Al-Sabty is the CEO of Riyadh Capital, an investment bank that works in all areas and activities of financial markets. Mr. Sabty Al-Sabty is also a Board Member in Zakat, Tax and Customs Authority and Board Member in Fund of Funds Company "Jada". He started his career with (PwC), and previously worked as Head of the Listed Companies and Investment Products Deputy at the Capital Market Authority, where he assumed responsibility for overseeing six different departments in the Authority, performing many organizational and development tasks in the following areas: public and private securities offering, mergers and acquisitions, investment product development, asset management, disclosure and corporate governance of listed companies.

He obtained a Bachelor's Degree in Accounting from King Saud University, and a Master's Degree in Business Administration from Colorado Technical University, and also obtained a Certified Public Accountant's Certificate from the Saudi Organization for Certified Public Accountants (SOCPA) and American Institute of Certified Public Accountants Certificate (CPA).

Memberships

Current memberships and positions

- Independent Director, Zakat Tax and Customs Authority, a Saudi Government Entity
- CEO, Riyadh Capital, a Saudi Closed Joint Stock Company
- Board Member, Fund of Funds Company "JADA".

Previous memberships and positions

- Head of the Listed Companies and Investment Products Deputy at the Capital Market Authority (CMA), a Saudi Government Authority.

MR. MARK MAKEPEACE

Member/Non-Executive (a representative of Public Investment Fund "PIF")

Mr. Mark Makepeace is the CEO of Wilshire Company and as a result, he became a Director in a number of Wilshire subsidiaries. He is also a Board Member in the Singapore Stock Exchange and Tadawul Advanced Solutions Company (WAMID) and Singapore Stock Exchange. He is also an advisor to Hang Seng Bank in Hong Kong. Previously he was the Non-Executive Chairman of Information Services at the London Stock Exchanges Group (LSEG), and UNICEF Vice President in the UK since 2011.

Mr. Makepeace started his career in the financial services field in 1985 after joining the London Stock Exchange and worked during this period to develop the stock market's business in the field of information technology and services.

He also led the securities organization in the United Kingdom and participated in establishing the first international stock market across borders in Europe. He was the founder, CEO and Chairman of Information Services in FTSE Russell. He also has experience of more than 20 years in developing successful joint ventures, and has succeeded in establishing alliances with stock exchanges, academics and leading industrial groups all over the world. He has founded large companies in Asia, Europe, the Middle East, Africa and the Americas, and was also the first Chairman and Founding Member of the Index Industry.

Memberships

Current memberships and positions

- Vice Chairman and CEO, Monica Top GP (Cayman) (Wilshire Global Advisors), a Limited Liability Company
- Independent Director, Singapore Exchange, the Capital Market of Singapore
- CEO, Wilshire Global Advisors, a Limited Liability Company, in the US and Europe
- Non-Executive Vice Chairman, Tadawul Advanced Solutions Company (WAMID), a Saudi Closed Joint Stock Company
- Chairman and Owner, M8R LIMITED, a Limited Liability Company (outside the Kingdom).

Previous memberships and positions

- Executive Information Services Director, London Stock Exchange Group, a British security company in the UK
- CEO, FTSE Russell, a Limited Liability Company in the UK.

MR. HASHEM OTHMAN AL-HEKAIL

Member/Independent

Mr. Hashem Al-Hekail has previously worked as Deputy Governor of the Saudi Central Bank (SAMA) for developing the financial sector and national initiatives, and he also cofounded Derayah Financial, and has worked as a co-CEO responsible for operations and technology.

He has more than 30 years of experience in the field of technology, analysis, system design, and engineering work procedures and investment accounts. He began his career in 1983 as an auditor at SAMA; after holding several positions there including Government Accounts Manager and Information Technology Manager. He then moved to SNB, where he supervised systems development projects in addition to supporting and maintaining existing systems. He then co-founded Derayah Financial and thereafter returned to SAMA.

Mr. Al-Hekail is now the Chairperson of the Boa Technology Company Board of Directors and a Board Member and Chairperson of Audit Committee at Derayah Financial.

He obtained a Bachelor's Degree in Social Services from King Saud University in 1981, and a professional Diploma in Financial Supervision from the Institute of Public Administration in 1983. He has also participated in technical and management training programs at various institutions, including Harvard University and the Massachusetts Institute of Technology.

Memberships

Current memberships and positions

- Independent Director, Derayah Financial, a Saudi Closed Joint Stock Company
- Audit Committee Chairperson, Derayah Financial, a Saudi Closed Joint Stock Company
- Chairperson, BWA Information Technology Company, a Saudi Closed Joint Stock Company
- Director, Hyper Pay Inc, a Closed Joint Stock Company in the British Virgin Island.

Previous memberships and positions

- Independent Director, Bayan Payments Limited, a Saudi Limited Liability Company
- Deputy Governor, Saudi Central Bank, the Central Bank of the Kingdom of Saudi Arabia
- Co-Director, Derayah Financial, a Saudi Closed Joint Stock Company.

MR. XAVIER R ROLET KBE

Member/Non-Executive (a representative of Public Investment Fund "PIF")

Mr. Xavier Rolet is currently Chairperson and CEO of NYSE listed World Quantum Growth Acquisition Corporation, Chairperson of the Board of Shore Capital Markets, Chairperson of the Remuneration Committee, Board

Member of Seplat Energy, Board Member of Golden Falcon Acquisition Corporation and Tadawul Advanced Solutions Company (WAMID) and Senior Advisor to Towerbrook Capital Partners LLP.

He is also an External Director for Portfolio Companies at the Public Investment Fund (PIF). He was previously Chairperson of the Board of Phosgaro PJSC, the CEO of CQS (UK) LLP, and the CEO of the London Stock Exchange Group (LSEG) from 2009 until 2017 during which time its market capitalisation increased from USD 1.2 Bn to USD 21 Bn. Prior to that, he worked for Lehman Brothers in New York as co-head of Global Equities and Derivatives trading, head of European and Asian Equities in London and CEO of Banque Lehman Brothers in Paris. Prior to Lehman Brothers, he was global head of European Equities at Credit Suisse First Boston and a Vice President and Executive Director at Goldman, Sachs & Co in New York, and London.

After graduating from Kedge Business School with an MS in Management studies in 1981, Xavier served as a Second Lieutenant and Instructor at the French Air Force Academy. He received a Master's Degree in Business Administration from Columbia Business School in 1984 and a Postgraduate Degree from the Paris-based Institute of Advanced Studies in National Defence (IHEDN) in 2008.

Xavier is a Knight Commander of the British Empire (Hon), a Knight of the Order of the French Legion of Honor, an Officer of the Royal Sharifian order of Al-Alawi, and a recipient of the Order of Friendship of the Russian Federation. He featured in the 2017 Harvard Business Review list of the Best 100 CEOs in the world.

Memberships

Current memberships and positions

- Chairperson and CEO, World Quantum Growth Acquisition Corp, NYSE-Listed special purpose acquisition company in the USA
- Independent Non-Executive Director, Golden Falcon Acquisition Corp, NYSE-Listed special purpose acquisition company in the USA
- Non-Executive Director, Tadawul Advanced Solutions Company, a Saudi Closed Joint Stock Company
- Independent Non-Executive Director, Seplat Petroleum Development Company, a Joint Stock Company listed in London and Nigeria
- Corporate Portfolio External Director, Public Investment Fund (PIF), a Saudi Government entity
- Nomination and Remuneration Committee Chairperson, Seplat Petroleum Development Company, a Joint Stock Company listed in London and Nigeria
- Expert advisor, Shanghai Institute of Finance for the Real Economy, a Government Institute
- Managing Partner, Grayling Centennial LLC, a Limited Liability Company in the USA
- Chairperson, Shore Financial Markets, a limited liability company
- Member, Centennial Valley Association, a non-profit organization in the USA
- Director, SAS La Verriere Company, a Simple Joint Stock Company (outside the Kingdom)
- Board of Advisors Member, Ranchlands in the USA
- Director, Columbia Business School, a Business College in the USA
- Partner, SCI La Verriere, a real estate investment company, a partnership (outside the Kingdom)
- SCEA Domaine de la Verriere, a partnership (outside the Kingdom)
- Chairperson of Board of Directors

for the Phosagro PJSC

- Board Member of for Centennial Valley Association
- Independent Board Member of for KM Dastur Ltd.

Previous memberships and positions

- Chairperson, Phosagro PJSC, a Joint Stock Company in Moscow
- Independent Non-Executive Director, Verseon Company in the USA
- Expert Advisors Committee Member, a Department for the International Trade (DIT), a government agency in the UK
- CEO, London Stock Exchange Group, a British Securities Company in the UK
- Governor's Financial Services Forum, Bank of England, a British Government entity
- Financial Services Trade and Investment Board Member, HM Treasury, a government entity in the UK
- Securities and Markets Stakeholders Group Member, European Securities and Markets
- Authority (ESMA), European Securities and Markets Authority
- Second Lieutenant and Instructor at the French Air Force Academy
- Director, Marketing Mediterranee, a junior enterprise in France.

Responsibilities and powers of the Board of Directors

Referring to the By-laws which include in article twenty-one the power of the Board of Directors, the Board of Directors shall exercise the following powers;

- Subject to the powers reserved for the General Assembly, the Board shall have the widest authority in managing the affairs of the Company in order to achieve its objectives, and the Board shall be responsible for achieving the strategic and operational objectives of the Company. In particular, the Board shall assume the following powers and may delegate some or all of these powers as it sees fit:
 - The overall strategy and business plan of the Company.
 - Annual budget.
 - Formation of the Board's subcommittees and providing them with the powers the Board believes are appropriate.
 - Approval of the Company's internal, financial, administrative and technical regulations as well as employee-related policies and regulations and setting the Company's performance standards.
 - Approval of loans and other credit facilities, for any term, from Government financing funds and institutions, commercial banks, central banks, credit companies and any other credit body.
 - Investment of Company funds.
 - Approval of the establishment of companies, purchase of shares therein and mergers as well as obtainment and amendment of commercial registers.
 - Appointment of the Company's representatives to Boards of

companies in which the Company participates and owns shares, the right to attend meetings of shareholder assemblies, general assemblies and Board meetings of these companies, signing of minutes and resolutions of these companies, endorsing the approval of annual budgets of these companies and receiving the Company's share of these companies' profits.

- The Board shall prepare an annual report about the Company's performance. Such report shall be brought to the General Assembly.
- The Board may, within its powers, delegate one of its members or a third party to perform a certain work(s).
- The Company's Board shall appoint a CEO for the Company from its members or others after obtaining the approval of the CMA Board. The CEO shall implement resolutions of the Board, shall manage daily business of the Company and shall head employees of the Company under the supervision of the Board in addition to other powers to be specified by the Board and included in the Company's regulations. The appointed CEO may not perform any other public or commercial work, may not have an interest with any member of the Exchange or may not own a part thereof. The CEO shall be dismissed from his position by decision of the Board.

Evaluating the performance of the Board, its committees and the Executive Management

The Extraordinary General Assembly in its meeting dated 17 August 2021 has approved the Nomination and Remuneration Committee Charter (NRC) which reflects that the NRC shall assist the Board in assessing the performance of the Board, its committees and Executive Management in terms of strengths and weaknesses, and in sitting and implementing plans to define and enhance the competencies of Board Members by recommending the necessary procedures.

Board of Directors meeting attendance

Number of meetings: **5** meetings

Name of member	Position	10 February 2022(*)	7 April 2022(*)	18 July 2022(*)	7 November 2022	12 December 2022(*)
Mrs. Sarah J Al-Suhaimi	Chairperson of the Board	✓	✓	✓	✓	✓
Mr. Yazeed A Al Humaid	Vice-Chairperson	✓	✓	✓	✓	✓
Eng. Khalid A Al-Hussan	Member	✓	✓	✓	✓	✓
Mr. Hashem O Al Hekail	Member	✓	✓	✓	✓	✓
Mr. Sabti S Al-Sabti	Member	✓	✓	✓	✓	✓
His Excellency Mr. Youssef A Al-Benyan**	Member	✓	✓	✓	-	-
Ms. Rania M Nashar	Member	✗	✓	✓	✓	✓
Mr. Xavier R Rolet	Member	✓	✓	✓	✓	✓
Mr. Mark S Makepeace	Member	✓	✓	✓	✓	✓

(**) – The membership of His Excellency Mr. Youssef Abdullah Al-Benyan came to an end on 28/09/2022G in reference to the Royal Decree issued on 27 September 2022, to appoint H.E. Youssef Abdullah Mohammed Al-Benyan as the Education Minister.

✓ (*) – Attended through communication means

Ownership of Board Members, spouses and minors

Name of member	Shares ownership			
	Type of ownership	Opening balance	Closing balance	Percentage change
Mrs. Sarah J Al-Suhaimi	Shares	0	25,000	100%
Mr. Yazeed A Al Humaid	-	-	-	-
Eng. Khalid A Al-Hussan	-	-	-	-
Mr. Hashem O Al Hekail	-	-	-	-
Mr. Sabti S Al-Sabti	-	-	-	-
His Excellency Mr. Youssef A Al-Benyan	-	-	-	-
Ms. Rania M Nashar	-	-	-	-
Mr. Xavier R Rolet	-	-	-	-
Mr. Mark S Makepeace	-	-	-	-

* There are no ownership of the Board Member's relatives on shares of the Company.

EXECUTIVE MANAGEMENT



ENG. KHALID ABDULLAH AL-HUSSAN
Group Chief Executive Officer



MR. ABDULLAH ABDULLATIF AL-ESHEIKH
Group Chief Legal Officer



MR. YAZEED HAMAD ALEIDI
Group Chief Risk and Security Officer



MR. RAED HAMOUD AL-BULUWI
Group Chief of Internal Audit



MR. KHALID ABDULAZIZ AL-GHERIRI
Group Chief of Regulatory Oversight and Authorization



MR. ALHASAN NABEEL ASHRAM
Group Chief Operations Officer



MS. MAHA MOHAMMED AL-BESHER
Chief Human Resource Officer



MR. SHAहरुKH QURESHI
Group Chief Financial Officer



MR. LEE HODGKINSON
Group Chief Strategy Officer

ENG. KHALID ABDULLAH AL-HUSSAN

Group Chief Executive Officer

Kindly refer to the Board of Directors Biographies.

MR. ABDULLAH ABDULLATIF AL-ESHEIKH

Group Chief Legal Officer

Mr. Al-Esheikh joined Tadawul in September 2018, as the Director of Policies Department, and in March 2019, he was appointed as Chief Legal Officer. He has wide experience in the field of legislation especially those related to the capital market and listed companies. Mr. Al-Esheikh holds an LL.M in Corporate Finance Law from the University of Westminster, London, UK.

He also holds a Bachelor's Degree in Law from King Saud University. In addition, he has joined several training courses from reputable institutions.

MR. YAZEED HAMAD ALEIDI

Group Chief Risk and Security Officer

Mr. Yazeed has successfully assumed various management roles in the field of Information Technology, Cybersecurity, Risk Management and Business Continuity.

Mr. Yazeed holds a Bachelor's Degree in Computer Science from King Saud University and Executive Masters of Business Administration from Al Yamamah University. In addition to several Professional and Leadership Certifications from various respectable institutions.

MR. RAED HAMOUD AL-BULUWI

Group Chief of Internal Audit

Eng. Albuluwi is the Group Chief Internal Audit Officer for the Saudi Tadawul Group and manages a comprehensive program of internal auditing within Saudi Tadawul Group and its subsidiaries (Saudi Exchange, Edaa, Muqassa and WAMID). He has over 19 years of experience and track record of success in managing a wide spectrum of internal audit services with an aim of providing robust assurance to the Audit Committee and Board of Directors to assist in fulfilling their governance duties.

Eng. Albuluwi graduated from King Fahad University with a BS in Computer Engineering and he received various professional certificates in Audit as well as in other professions.

MR. KHALID ABDULAZIZ AL-GHERIRI

Group Chief of Regulatory Oversight and Authorisation

Mr. Al-Gheriri joined Tadawul in 2006 where he held several administrative and leading positions, until he was appointed as Chief of Regulatory Oversight and Authorization at Tadawul in November 2018. Mr. Al-Gheriri has extensive experience in the financial sector where he has successfully led several roles and responsibilities. Over the past few years, he has successfully led various functions and projects within the Members Relations Department.

Mr. Al-Gheriri holds a Bachelor's Degree in Computer Information Science from Minnesota State University, USA. He also has several professional certifications from various respectable institutions.

MR. ALHASAN NABEEL ASHRAM

Group Chief Operations Officer

Mr. Alhasan joined Group in May 2021, he was appointed as Group Chief Operations Officer. Mr. Alhasan has extensive experience in Information Technology, Cybersecurity and Risk Management. He assumed various Technical, Managerial and Leadership positions in the High-Tech Industry, Commercial Banking and Capital Markets.

Mr. Alhasan holds a B.Sc. degree in Computer Engineering from KFUPM, and an M.Sc. degree in Engineering Management and Leadership from Santa Clara University, California, United State of America. He also has many Professional Certifications from multiple reputable institutions in IT, Security, Risk and Management and Leadership.

MS. MAHA MOHAMMED AL-BESHER

Chief Human Resource Officer

Ms. Al-Besher joined Tadawul in May 2018 as Chief Human Resource Officer. She has wide experience in the field of human resources development, support services, corporate communications and leading FinTech initiatives.

Ms. Al-Besher holds a Master's Degree in HR from the Catholic University of America, USA.

MR. SHAHRUKH QURESHI

Group Chief Financial Officer

Mr. Qureshi joined in March 2018 as Chief Financial Officer. Mr. Qureshi has over 23 years of experience in strategic financial planning & management, accounting, investment management, company start-ups, mergers & acquisitions and assets liabilities management. Mr. Qureshi holds a Master's Degree in Commerce from Pakistan. He is a fellow member of The Institute of Chartered Accountants of Pakistan and Institute of Public Finance Accountants.

MR. LEE HODGKINSON

Chief of Strategy, Saudi Tadawul Group

Lee Hodgkinson is the Group Chief of Strategy for Saudi Tadawul Group and oversees group strategic implementation throughout the organisation.

Mr. Hodgkinson has over 30 years of experience in trading, capital markets, and data, across international markets including the UK, EU, USA, China, Russia and India. Prior to joining Saudi Tadawul Group, he held a number of executive and management positions throughout the capital markets infrastructure industry, including CEO of SWX Europe, CEO of Euronext London, and Group CEO of OSTC Ltd, a global derivatives trading firm. Mr. Hodgkinson has also served as Vice President of the Federation of European Securities Exchanges and is currently a non-Executive Chairman of BMLL, a London-based data and analytics company.

At present, Mr. Hodgkinson is completing a master's degree from Kings College London, UK, in the field of International Affairs, and is an alumnus of Harvard Business School.

OWNERSHIP OF EXECUTIVE MANagements, SPOUSES AND MINORS

The Group's Executive Managements, Spouses and Minors don't have any shares ownership.

BOARD OF DIRECTORS COMMITTEES

The Company has four Committees in place:

The Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Investment Committee. A charter for each committee has been adopted, which sets out its role and responsibilities, powers and delegations, and how to conduct meetings for the purposes of exercising the duties of each committee and enabling each committee to properly perform its tasks.

Audit Committee

The Audit Committee in its new term has been formed by a resolution of the Ordinary General Assembly dated 28/12/2022 effective from the date of the OGM until 01/01/2026. The Extraordinary General Assembly has approved the revised charter of the Audit Committee during its meeting held on 09/01/1443H (corresponding to 17/08/2021G). We note that the members of the Audit Committee were elected at the previous Term on 24/07/1441H (corresponding to 19/03/2020) for a period of three (3) years under the General Assembly's extraordinary meeting.

Committee composition

In accordance with the Audit Committee’s Charter, the Audit committee shall consist of three to five members from among the shareholders or others, and shall not include any executive directors or senior executives. The Chairperson may not be a member of the Audit Committee, and any person who works or has worked in the Company’s Finance Department, the Executive Management or for the Company’s external auditor during the preceding two years may not be a member of the Audit Committee. The Audit Committee shall include at least one independent member and a member with experience in financial and accounting matters. The Audit Committee shall meet according to an approved annual schedule, with at least four (4) meetings per year.

Committee duties and responsibilities

The responsibilities of the Audit Committee are summarized as follows:

Financial Statements

1. Examining the interim, quarterly and annual financial statements submitted by the auditor and providing its recommendation to the Board of Directors and to the Ordinary General Assembly.
2. Considering the Company’s applicable accounting policies and providing opinions and recommendations to the Board of Directors thereon.

Internal Audit

1. Overseeing the Internal Audit Department and ensuring its independence in the performance of its tasks, and verifying that there are no restrictions or negative impact on its work.

2. Examining the Company’s internal and financial control system and disclosure and information technology systems, ensuring their adequacy for the conduct of the Company’s business, and submitting a recommendation to the Board in this regard.

Compliance

1. Reviewing the findings of the reports of monitoring authorities, and ensuring that the Company has taken the necessary measures thereabout.
2. Ensuring compliance of the Company and its employees with relevant laws and regulations and recommending the appropriate measures in case of non-compliance.
3. Ensuring the effectiveness of procedures followed by the Company to guard against claims, legal proceedings, and risks of non-compliance with relevant laws and regulations.
4. Reviewing proposed contracts and transactions between the Company and Related Parties and expressing the Committees opinion thereabout to the Board.
5. Regularly Examining the report of the Head of Governance and Compliance Department and taking decisions thereabout.
6. Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

Results of annual internal audit procedure

Committee governance:

- Ensured Confirmation of Independence;
- Declared Potential Conflicts (where applicable).

Compliance reports:

- Reviewed all Code of Conduct Violations Cases presented to AC.

Financial Statements:

- Reviewed Financial Policies;
- Reviewed Financial Auditors Selection Proposals.
- Endorsed the Consolidated Financial Statements for Saudi Tadawul Group Holding Company.

Internal Audit Governance:

- Ensured that Internal Audit Governance documents (charters, policies) are updated and relevant;
- Reviewed and Approved Internal Audit Divisional KPIs and Performance Assessment.

Internal Audit Operations:

- The Internal Audit Division carried out planned audits in accordance with the Internal Audit plan and changes required during the year, as approved by the Saudi Tadawul Group Holding Company Audit Committee to evaluate, objectively and independently, the adequacy and effectiveness Of Internal Control Systems.
- Internal Audit Department reports functionally to Audit Committee and administratively to the Chief Executive Officer of Saudi Tadawul Group Holding Company. In carrying out its duties, Internal Audit ensured its independence and objectivity. The Internal Audit Division operates in accordance with International Internal Auditing Standards (IIA Standards). As part of its mandate, during the year, Audit Committee reviewed/ approved following, but not limited to, deliverables/outputs:
 - Reviewed and Approved Annual Risk Assessment

- Reviewed and Approved Internal Audit Plan;
 - Reviewed Internal Audit Progress Reports; and
 - Reviewed Resolution Progress of Observations
- Furthermore, Internal Audit maintains an internal quality assurance and improvement program, covering all aspects of the internal audit activities, to evaluate and continuously improve these activities.
 - Internal Audit Division regularly issued audit progress reports to the Audit Committee during the year covering the audit plan progress, audit activities outcome and overall update/view on internal controls effectiveness and related subjects. The Internal Audit continued its significant progress made in closing and verifying audit findings along with strengthening the follow-up/ closure process.

Audit Committee opinion

The internal control system has an important role to play in the success of any organization. Saudi Tadawul Group Holding Company is committed to ensuring an effective internal control system to achieve regulatory objectives, asset protection, accurate internal and external reporting, risk reduction and adherence to regulatory requirements.

The Audit Committee oversees the Internal Audit work, which periodically reviews the adequacy and effectiveness of the internal control system, to provide a continuous assessment of the internal control system and its effectiveness. The Committee also reviews the External Auditor’s reports and management letter, which might include any lack of internal control noted by the External Auditor as part of his internal controls assessment.

Based on the above, the Audit Committee believes that the internal control system within Saudi Tadawul Group Holding Company are appropriately designed and effectively serves organizational objectives, operational efficiency, financial reporting reliability and regulatory compliance without any material deficiency or material weakness.

The Audit Committee also extends its sincere thanks to the Board of Directors for its support to the Committee to fulfill its roles and responsibilities and the Executive Management for providing all the data requested to perform the duties of the Committee.

Members of the Audit Committee

The Audit Committee consists of the following members:

Members of the Committee for the new term

Name of member	Position
Mr. Omar M AlHoshan	Committee Chairperson – Non-Board Member
Mr. Hashem O Al-Hekail	Independent Member
Eng. Sultan A AlDeghaither	Independent Member
Mr. Abdulhameed S AlMuhaidib	Non-Board Member
Ms. Latifah H AlSabhan	Non-Board Member

Members of the Committee for the previous term

Name of member	Position
Mr. Yazeed A. Al-Humaid	Committee Chairperson – Non-Board Member
Mr. Hashem O. Al-Hekail	Independent Member
Dr. Abdullah A. Al-Shuwayer	Non-Board Member
Mr. Omar M. Al Hoshan	Non-Board Member
Mr. Abdulrahman M. Al-Odan	Non-Board Member

Member biographies

Biographies for the previous term:

Mr. Yazeed A Al-Humaid
Chairperson

Kindly Refer to the Board of Directors Biographies.

Mr. Hashem O Al-Hekail
Member

Kindly Refer to the Board of Directors Biographies.

Dr. Abdullah A. Al-Shuwayer
Member

Dr. Al-Shuwayer is currently the CEO of Ashmore Investment Saudi Arabia, after serving as the Chief Executive and Secretary General of the Higher Education Fund (HEF), the investment arm for 26 public Saudi universities, where he was responsible for managing its multi-asset-class, multi-market investment portfolio. Prior to this, Dr. Al-Shuwayer worked at multiple private and public entities such as the Ministry of Education in Saudi Arabia where he was a senior advisor in areas related to investment and financial affairs. He served as Chairperson and member of the Advisory Committee at the Capital Markets Authority (CMA).

In addition to these posts, Dr. Al-Shuwayer has served as a Board Director in companies in such sectors as technology, agriculture, hospitality, and real estate. He has also served as a fund Board Member for investment funds in the US and Saudi Arabia. He also worked as the Chairperson of Finance department and a faculty member at King Saud University, and a lecturer in finance and investment department at University of Wisconsin.

Dr. Al-Shuwayer holds a Ph.D. in Finance from the University of Wisconsin, MBA in Finance from the John Neff College of Business at the University of Toledo, BA in Finance from King Saud University, and is a CFA Charter holder. He has also completed multiple executive education programs at Harvard, INSEAD, IMD, and LBS.

Mr. Abdulrahman M. Al-Odan
Member

Mr. Abdulrahman Al-Odan is a Board Member of Tawuniya Insurance from 2020G. He is also the Owner and Manager of Kemet Corporation, A.N. Alodan Construction Company and Security House Trading Mr. Abdulrahman is a member of the Constitutional Committee of Small and Medium Enterprises from 2020G, and a Board Member of SNB starting from 2020G.

Mr. Al-Odan held several positions in Riyadh Bank such as, IT Consultant, Information Technology Vice CEO, Transformation and Performance Improvement Program Executive

Director, Solutions and Systems Department Director and the Development Program for Treasury, Investment and Trade Finance Systems Director in 2000G.

Mr. Abdulrahman also worked as the Manager of Systems Reengineering for the United Saudi Bank. He was also the Owner and a General Manager for Madar Communications Company, and Computer Operations Department Director and a System Programmer at Saudi Central Bank (SAMA), as well as working at Saudi Aramco as a System Analyst.

Mr. Al-Odan hold a Master degree in Computer Science from Florida Institute of Technology, USA -1985G- and a Bachelor's Degree in Computer Science from Jacksonville University, USA.

Risk Management Committee

The name and composition of the Committee has been reformed to be the Governance, Risk and Compliance Committee pursuant to the Board of Directors' Resolution dated 02/01/2023. The previous committee composition was formed pursuant to the Board of Directors resolution dated 03/01/1443H (corresponding to 11/08/2021). The Board of Directors approved the "amended" charter of the Risk Management Committee on 06/09/1443H (corresponding to 07/04/2022G).

Committee composition

In accordance with the Risk Management Committee's Charter, The Committee shall be composed of three to five members, appointed by a Board of Directors Resolution, and that the chair and the majority of its members are non-executive members of the Board and the Chairperson of the Board may also not be the Chairperson of the Committee.

An independent member may not be a member of the Board or a senior executive of the Company or any of its Subsidiaries within the past two years, doesn't own or represent a person subject to the monitoring of the Market or a first-degree relative of that person, may not be a first-degree relative of a member of the Company's Board or a senior executive of the Company or any of its Subsidiaries.

Meetings of the Committee shall be convened at least every six months. The chairperson of the Committee may call for a meeting any time or when two or more members of the Committee request so.

Committee duties and responsibilities:

The responsibilities of the Risk Management Committee include, but are not limited to, the following:

- Supervising the work of the Company's Risk and Security Department; evaluating the measures, policies and strategies for monitoring and managing risks; evaluating the mechanisms to address such risks as well as the methods for analyzing and recording them; ensuring the

adequacy of such methods for the Company's business; following up on corrective measures; making the necessary recommendations to the Board; reviewing and evaluating the Company's Information Security Policy. Ensuring the verification of any risk incident as requested by the Board.

- Approve the evaluation criteria of the Risks and Security Department based on the proposal of the CEO of the Company and in accordance with the Company's relevant policies.

Risk Management Committee members:

The Governance, Risk, and Compliance Committee consisting of the following members:

Members of the Committee for the new term

Name of member	Position
Ms. Rania M Nashar	Chairperson – Non-Executive
Mr. Xavier R Rolet	Member – Non-Executive
Eng. Khalid A AlHussan	Executive Member
Dr. Yahya A AlJabr	Non-Board Member
Ms. Maha M AlSudairi	Non-Board Member

Members of the Committee for the previous term

Name of member	Position
Ms. Rania M Nashar	Chairperson – Non-Executive
Mr. Xavier Rolet	Member – Non-Executive
Dr. Yahya Ali Ahmed Al-Jabr	Non-Board Member

Audit Committee meeting attendance

Number of meetings: **4** meetings

Name of member	Position	28 February 2022(*)	11 May 2022(*)	9 August 2022(*)	24 October 2022(*)
Mr. Yazeed A Al-Humaid	Committee Chairperson Non-Executive	✓	✓	✗	✓
Mr. Hashem O Al-Hekail	Independent Member	✓	✓	✓	✓
Dr. Abdullah A Al-Shuwayer	Non-Board Member	✓	✓	✓	✓
Mr. Omar M Al Hoshan	Non-Board Member	✓	✓	✓	✓
Mr. Abdulrahman M Al-Odan	Non-Board Member	✓	✓	✓	✓

✓ (*) – Attended through communication means

Members biographies

Ms. Rania M Nashar

Chairperson

Kindly Refer to the Board of Directors Biographies.

Mr. Xavier R Rolet

Member

Kindly Refer to the Board of Directors Biographies.

Dr. Yahya A Al-Jabr

Member

Dr. Yahya Al-Jaber is a member of Risk Management Committee at Saudi Tadawul Holding Group. He is an Associate Professor of Accounting and served as the Deputy Secretary General, Saudi Organization for Certified Public Accountants (SOCPA).

Dr. Yahya Al-Jaber obtained a Bachelor's in Accounting from King Saud University and a Master's degree in Accounting from University of Miami. In addition to a Ph.D. in Accounting from University of Melbourne. He is also Certified a Public Accountant by the Saudi Organization for Certified Public Accountants (SOCPA), Certified Management Accountant (CMA) and Certified in Financial Management (CFM) by the US Institute of Management Accountants.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reformed pursuant to the Board of Directors' Resolution dated 02/01/2023. The previous committee was formed pursuant to the Board of Directors' Resolution dated 03/01/1443H (corresponding to 11/08/2021G).

The Board approved the charter of the Nomination and Remuneration Committee on 29/12/1442H (corresponding to 08/08/2021G), which was approved by the Extraordinary General Assembly during its meeting held on 09/01/1443H (corresponding to 17/08/2021G).

Committee composition

Pursuant to the charter of the Nomination and Remuneration Committee, the committee consists of three to five Non-Executive Board Members, including at least one independent member. The Chairperson of the Board of Directors shall not be the Chairperson of the Nomination and Remuneration Committee. The members and Chairperson of the committee shall be appointed and dismissed by the Board of Directors.

Committee duties and responsibilities:

The responsibilities of the Nomination and Remuneration Committee include, but are not limited to, the following:

- Assist the Board in assessing the performance of the Board, its committees, as well as Executive Management and its performance in developing and implementing plans to identify and enhance the competencies of the Directors by recommending the necessary actions.
- Assessing the organizational structure of the Company and make the necessary recommendations to the Board.
- Proposing clear policies and criteria for membership in the Board of Directors, Executive Management and the Company's representatives in the Subsidiaries.
- Making recommendations to the Board of Directors to nominate and re-nominate Directors in accordance with the approved policies and standards.

- Verifying on an annual basis that the Chairperson, Directors and those holding any other important administrative positions have no conflict of interest, verifying whether a Director is a member of the Board of Directors of another company and verifying the independence of the independent Directors and members of the Board Committees.
- Reviewing the compensation, retirement plan and incentive policies and plans for employees.
- Setting performance standards for the Company's CEO, evaluate him/her based on such standards, and submit recommendations to the Board.

Nomination and Remuneration Committee members

The Nomination and Remuneration Committee consists of the following members:

Members of the Committee for the new term

Name of member	Position
Eng. Sultan A AlDeghaither	Chairperson – Independent
Mr. Mark S Makepeace	Member – Non-Executive
Mr. Bandar A Bin Mogrin	Non-Board Member

From 2 October 2022 until 1 January 2023:

Name of member	Position
Mr. Hashem O Al-Hekail*	Chairperson – Independent
Mr. Mark S Makepeace	Member – Non-Executive
Mr. Bandar A Bin Mogrin	Non-Board Member

* As per of the resignation of His Excellency Mr. Youssef A. Al-Bunyan, Mr. Hashem O. Al-Hekail was appointed as a member and Chairperson of the committee according to the Board resolution dated 02/10/2022 AD.

Until 28 September 2022

Name of member	Position
His Excellency Mr.Youssef A Al-Benyan	Chairperson – Non-Executive
Mr. Mark S Makepeace	Member – Non-Executive
Mr. Bandar A Bin Mogrin	Non-Board Member

Members biographies

Mr. Hashem O Al-Hekail

Chairperson

Kindly Refer to the Board of Directors Biographies.

His Excellency Mr. Youssef A Al-Benyan

Chairperson until 28 September 2022

Kindly Refer to the Board of Directors Biographies.

Mr. Mark S Makepeace

Member

Kindly Refer to the Board of Directors Biographies.

Mr. Bandar A Bin Mogrin

Member

Mr. Bander bin Mogrin has 16 years of experience in Shared Services, participated in many conferences in the Middle East, such as the "Opportunities in the Age of Globalization" conference, For the years of 2018 and 2019, he established several initiatives & the most important of which is the Leadership Visions Initiative for Human Capital.

Mr. Bander bin Mogrin is Head of Operations, Joint Services at the Public Investment Fund, Representatives of the Public Investment Fund and its subsidiaries, Member of the Nominations Committee 2016 – until now.

Member of the Board of Directors and Chairperson of the Nominations and Remunerations Committee at King Abdullah Financial District for the Management and Development of King Abdullah Financial District (KAFD) 2016 – present.

Risk Management Committee meeting attendance

Number of meetings: **3** meetings

Name of member	Position	29 March 2022(*)	27 July 2022(*)	2 November 2022(*)
Ms. Rania M Nashar	Chairperson – Non-Executive	✓	✓	✓
Mr. Xavier R Rolet	Member – Non-Executive	✓	✓	✓
Dr. Yahya A Al-Jabr	Non-Board Member	✓	✓	✓

✓ (*) – Attended through communication means

Member of the Board of Directors and Chairperson of the Nominations Committee at the Saudi Company for Technical Development and Investment (Technology) 2016 – until now.

Vice-Chairperson of the Board of Directors and member of the Nominations and Remunerations Committee of the Saudi Real Estate Company (SRICO) 2017-2022.

Member of the Human Capital and Remuneration Committee of the Sanabel Investment, Nominations and Remuneration Committee Member of Noon Investment Company 2017 – until now.

Member of the Nominations and Remuneration Committee of the Saudi Tadawul Group 2017 – until now.

Member of the Nominations and Remunerations Committee of the Downtown Development Company in Riyadh 2017-2020.

Member of the Board of Directors and the Nominations and Remunerations Committee of Gulf International Bank, Bahrain and Saudi Arabia 2018-present. Member of the Board of Directors and the Nomination and Remuneration Committee of Jasara Company 2019 – to date.

Member of the Nominations and Remunerations Committee of the National Center for Privatization (NCP) 2019 – to date. Until now.

Member of the Nominations and Remunerations Committee at Qiddiya Company 2020 – to date.

Member of the Nominations and Remunerations Committee at the Decision Support Center at the Royal Court (DSC) 2020 – to date.

Member of the Nominations and Remunerations Committee at NEOM Company 2021 – to date.

Vice-Chairperson Member and Chairperson of the Nominations and Remuneration Committee of the Electronic Games Infrastructure Company (VoV) 2021 – present.

Member of the Nominations, Remuneration and Governance Committee (NRGC) of the Saudi Military Industries Company 2021 – to date.

Chairperson of the Board of Directors of the Sports Investment Company 2022 – to date.

Member of the Board of Directors and Chairperson of the Nominations Committee at the Saudi Company for Technical Development and Investment (Technology) 2016 – until now.

Member of the Board of Directors and the Nomination and Remuneration Committee of Gulf International Bank, Bahrain and the Kingdom of Saudi Arabia, 2018 – until now.

Member of the Board of Directors and the Nomination and Remuneration Committee of Jasara Company 2019 – to date.

Vice Chairperson of the Board of Directors and member of the Nominations and Remunerations Committee of the Saudi Real Estate Company (SRICO) 2017-2022.

Member of the Nominations and Remuneration Committee of the Aviation Services Company 2022 – to date.

Mr. Bander bin Mogrin was also the Head of Human Resources at Jadwa Investment and the General Manager, Human Resources and Support Services Department of National Commercial Bank Capital. In addition to his membership of the Nominations and Remunerations Committee at the Downtown Development Company in Riyadh.

He obtained a Bachelor's Degree in a Double Major in Human Resources and Business Administration – Eastern Washington University-2000.

Nomination and Remuneration Committee meeting attendance

Number of meetings: **5** meetings

Name of member	Position	23 January 2022(*)	20 June 2022(*)	1 November 2022(*)	6 November 2022(*)	1 December 2022(*)
Mr. Hashem O Al-Hekail	Chairperson – Independent	-	-	✓	✓	✓
His Excellency Mr. Youssef A Al-Benyani	Chairperson – Independent until 28 September 2022	✓	✓	-	-	-
Mr. Mark S Makepeace	Member – Non-Executive	✓	✓	✓	✓	✓
Mr. Bandar A Bin Mogrin	Non-Board Member	✓	✓	✓	✓	✓

✓ (*) – Attended through communication means

Investment Committee

The Investment Committee was reformed pursuant to the Board of Directors' Resolution dated 02/01/2023. The previous committee was formed on 03/01/1443H (corresponding to 11/08/2021G).

Committee composition

In accordance with the Investment Committee's Charter, The Committee shall be composed of three to five members by a resolution of the Board, including Board Members who are with an experience in the sector, mergers and acquisitions. The Composition shall include an independent member specialized in mergers and acquisitions in addition to the CEO. The term of membership in the Committee shall be to the same as the term of the Board.

Committee duties and responsibilities:

The charter of the Investment Committee was approved on 18/07/2022.

The Committee shall assume the following duties and responsibilities in accordance with the Investment Policy and the authority matrix approved by the Board:

- Provide recommendations to the Holding Company Board to approve the necessary policies for the Department.
- Recommend to the Holding Company Board to approve the investment policy and the authority matrix.
- Review and approve the investment strategy and decide on relevant matters.
- Overseeing the Holding Company's investments in line with the approved investment policy.
- Recommend to the Board strategic

investments (including mergers and acquisitions and joint ventures) that were not mentioned in the approved Investment Policy.

- Recommend to the Board of the funding mechanism related to any strategic investments mentioned above.
- The approval of the nomination process of the external advisors for the strategic investments and to approve their appointment and fees in accordance with the management recommendation.
- Appoint and dispose external investment managers for the Holding Company, follow up on their performance, approve their fees and terminate their duties.
- Study, review and make decisions on periodic reports prepared by the Department.
- Prepare an annual report on the Committee's activities, details of investment strategies, performance and recommendations on its duties and submit it to the Board.

Investment Committee members

The Investment Committee consists of the following members:

Members of the Committee for the new term

Name of member	Position
Mrs. Sarah J Al-Suhaimi	Chairperson – Independent
Mr. Yazeed A AlHumied	Member – Non-Executive
Mr. Sabti S Al-Sabti	Member – Non-Executive
Eng. Khalid A Al-Hussan	Member – Executive
Mr. Fahad I AlJomaih	Non-Board Member

Members of the Committee for the previous term

Name of member	Position
Mrs. Sarah J Al-Suhaimi	Chairperson – Independent
Mr. Sabti S Al-Sabti	Member – Non-Executive
Eng. Khalid A Al-Hussan	Member – Executive
Mr. Rayan S Al-Rasheed	Non-Board Member
Mr. Fahad I AlJomaih	Non-Board Member

Members biographies

Mrs. Sarah J. Al-Suhaimi

Chairperson
Kindly Refer to the Board of Directors Biographies.

Mr. Yazeed A. AlHumied

Member
Kindly Refer to the Board of Directors Biographies.

Mr. Sabti S. Al-Sabti

Member
Kindly Refer to the Board of Directors Biographies.

Eng. Khalid A. Al-Hussan

Member
Kindly Refer to the Board of Directors Biographies.

Mr. Rayan S. Al-Rasheed

Member
Mr. Rayan Alrasheed is the CEO of Value Capital Partners (“VCP”). Prior to joining VCP, Mr. Alrasheed was the CIO of Awqaf Investment Company where he managed a global multi-asset portfolio.

Mr. Alrasheed has held several other positions within the investment industry, serving as a Director in the Private Equity & Investment Banking Division at Jadwa Investment, as well as head

of the financial sector unit of the Corporate Finance Division of the Capital Market Authority.

Mr. Alrasheed serves on several Boards and committees including the Board and Executive Committee of the National Tri-generation Company, the Investment Committee of Saudi Tadawul Group and the Investment committee of the Health Endowment fund.

Mr. Alrasheed holds a bachelor’s in Finance from King Fahd University of Petroleum and Minerals, and an MBA from Stanford University.

Mr. Fahad I. AlJomaih
Member

Mr. Fahad Aljomaih is the Senior Vice President MENDA Direct Investments in Public Investment Fund, Mr. Aljomaih has several other positions, serving as Board Member (“D360”) as well as Investment Committee Member in Saudi Tadawul Group, Board Member in Pergola Holding, Board Member in International Refreshment Company, Board Member in Aljomaih Equipment Company.

Mr. Aljomaih has held several other positions serving Director and Head of Investments in Abdul Latif Jameel Investments, Investment Committee Member in Abdul Latif Jameel Land, as well as Vice President Investment Banking in Saudi Fransi Capital, and several other positions in Saudi Fransi Capital, FALCOM Financial Services.

Mr. Aljomaih holds a Bachelor of Science in Business Administration from Northeastern University, and a Master of Science in International Securities, Investments and Banking from University of Reading, Master in Business Administration (MBA) from University of Portsmouth.

Investment Committee meetings attendance

Number of meetings: **6** meetings

Name of member	Position	27 January 2022(*)	15 February 2022(*)	8 March 2022(*)	17 July 2022(*)	15 November 2022(*)	29 November 2022(*)
Mrs. Sarah J Al-Suhaimi	Chairperson – Independent	✓	✓	✓	✓	✓	✓
Mr. Sabti S Al-Sabti	Member – Non-Executive	✓	✓	✓	✓	✓	✓
Eng. Khalid A Al-Hussan	Member – Executive	✓	✓	✓	✓	✓	✓
Mr. Rayan S Al-Rasheed**	Member – Independent – Non-Board Member	–	–	✓	✓	✓	✓
Mr. Fahad I AlJomaih***	Member – Non-Executive – Non-Board Member	–	–	–	✓	✓	✓

✓ (*) – Attended through communication means

** Mr. Rayan S Al-Rasheed was appointed on 3 January 2022.

*** Mr. Fahad I AlJomaih was appointed on 9 June 2022.

Remuneration of the Board Members and Executive Management Policy

Pursuant to the Board of Directors and Committees Remuneration Policy which was approved at the General Assembly dated 17 August 2021, the Directors receive an annual remuneration of SAR 250,000 (excluding the attendance allowance) by virtue of their positions as members of the Board and in consideration for their contribution to the business of the Board. The Chairperson receives an additional annual remuneration of SAR 100,000. Attendance and transportation allowances shall be determined in accordance with the applicable laws, decisions and directions specified by the competent authorities of the Kingdom.

Each Director shall receive SAR 3,000 as an attendance allowance for each meeting of the Board of Directors, whether the Director attends in person or participates in the meeting through any remote communication channel.

Remunerations Mechanism

The Remuneration Policy for the Board, its Committees and Executive Management shall be performance-related standards, disclosure and verification of their implementation taken into account the following:

- Being consistent with the Company's strategy and objectives.
- Being consistent with the magnitude, nature and level of risks faced by the Company.

- Acquiring and maintaining the Board members and executive management, and encouraging them to achieve the success of the Holding company, its shareholders and its long-term development.
- Determine remuneration based on job level, duties and responsibilities, educational qualifications, practical.

DETAILS OF REMUNERATION

Allowances for members to attend Board meetings for the year 2022

Number of meetings: **5** meetings

Numbers are in a thousand	Fixed remunerations							Variable remunerations								
	Specific amount	Allowance for attending board meetings	Total Allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the Chairperson, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total	End-of-service award	Aggregate amount	Expenses allowance
First: Independent Directors																
1. Mrs. Sarah Jammaz Al-Suhaimi	250	0	0	0	0	100	350	0	0	0	0	0	0	0	0	0
2. Mr. Hashem Othman Al Hekail	250	15	0	0	0	0	265	0	0	0	0	0	0	0	0	0
3. His Excellency Mr.Youssef A Al-Benyan	150	9	0	0	0	0	159	0	0	0	0	0	0	0	0	0
Total							774		0	0	0	0	0	0	0	0
Second: Non-Executive Directors																
1. Mr. Yazeed Abdulrahman Al Humaid	250	15	0	0	0	0	265	0	0	0	0	0	0	0	0	0
2. Mr. Sabti Sulaiman Al-Sabti	250	15	0	0	0	0	265	0	0	0	0	0	0	0	0	0
3. Ms. Rania Mahmoud Nashar	200	12	0	0	0	0	212	0	0	0	0	0	0	0	0	0
4. Mr. Xavier Rolet	250	15	0	0	0	0	265	0	0	0	0	0	0	0	0	0
5. Mr. Mark Stephen Makepeace	250	15	0	0	0	0	265	0	0	0	0	0	0	0	0	0
Total							1,272		0	0	0	0	0	0	0	0
Third: Executive Directors																
1. Eng. Khalid Abdullah Al-Hussan	250	15	0	0	0	0	265	0	0	0	0	0	0	0	0	0
Total							265		0	0	0	0	0	0	0	0
							2,311									

Remuneration of committee members for their membership in the Board's Committees:

(numbers are in a thousand)

Committees members	Fixed Remuneration	Allowance for attending Board meetings	Total
Audit Committee			
1. Mr. Yazeed A Al Humaid	112.5	9	121.5
2. Mr. Hashem O Al-Hekail	150	12	162
3. Mr. Abdulrahman M Al-Odan	150	12	162
4 Mr. Abdullah A Al-Shuwayer	150	12	162
5 Mr. Omar M Al Hoshan	150	12	162
Total			769.5
Nomination and Remuneration Committee			
1. His Excellency Mr. Youssef A. Al-Benyan	60	6	66
2. Mr. Hashem O Al Hekail	90	9	99
3. Mr. Mark S Makepeace	150	15	165
4. Mr. Bandar A Bin Mogrin	150	15	165
Total			495
Risk Management Committee			
1. Ms. Rania M Nashar	150	9	159
2. Mr. Xavier R Rolet	150	9	159
3. Mr. Yahya A Al-Jabr	150	9	159
Total			477
Investment Committee			
1. Mrs. Sarah J Al-Suhaimi	150	0	150
2. Mr. Sabti S Al-Sabti	150	18	168
3. Eng. Khalid A Al-Hussan	150	18	168
4. Mr. Rayan S Al-Rasheed	100	12	112
5. Mr. Fahad I AlJomaih	75	9	84
Total			682
			2,423.50

Paid remunerations to the top five Senior Executives 2022 (Including CEO and CFO)

Element	Sub Element	Amount
Fixed remunerations	Salaries	6,946,946
	Allowances	2,801,935
	In-kind benefits	382,943
	Total	10,131,823
Variable remunerations	Periodic remunerations	-
	Profits	-
	Short-term incentive plans	9,500,000
	Long-term incentive pans	10,800,000
	Granted shares	-
	Total	20,300,000
End of Service		-
Aggregate amount		30,431,823

RISK MANAGEMENT

The Enterprise Risk Management Division (ERMD) is responsible for determining the classification of the risks into different categories and levels with the purpose of efficient and effective risk management across the Company. The following section describes Tadawul's approach for managing different categories of risks:

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 disrupting the business operations. Technology risks include infrastructure failures, IT system failures or telecommunications risks.

Corporate risks

Risks related with Company's strategic decisions, compliance and governance framework, projects and communication.

Financial risks

Risks that may affect the Company's revenues or reduce the efficiency of operating expenses. Financial risks include liquidity risks, credit risks, accounting and financial reporting risks, insurance risks, Fraud.

Information security risks

Risks arising from technical vulnerabilities and threats to information assets owned by the Company that 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 disruptive of The Company's operation, resulting in significant losses in the technology infrastructure and level of services provided. The ERMD determines the requirements for restoring the service and ensuring the company's ability to maintain the services provided to ensure the integrity and credibility of the market and

investors. The Department also works 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 which affect the performance and objective of the Company 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.

Businesses and contracts to which the company is a party, or in which a member of the Board of Directors has an interest

Business or contract to which the company is a party of and in which a Director of the Company is or was interested	Nature of the contract or business	Conditions of the contract or business	Amount
Board Member Mr. Sabti S AlSabti	Saudi Tadawul Group Holding Company's investment in Riyadh SAR Trade Fund of Riyadh Capital	An open-ended mutual fund available for the public	Outstanding investment in the beginning of the year 2022 was SAR 105,962,714. During the year, the Company purchased units of fund amounting to SAR 28,981,923 and sold amounting to SAR 136,500,932 which included the realized gain of SAR 1,556,295 which resulted in the investment of the Company to be Nil as of 31 December 2022.

In addition to the above, the Company entered into transaction with entities having common Directors within the normal course of its business activities as disclosed in Note 30 to the Company's audited Financial Statements for the year ended 31 December 2022.

STATUTORY PAYMENTS, PENALTIES AND SANCTIONS

Regulatory Body	Description	Amount (SAR)
1. Capital Market Authority	Annual flat fees	130,000,000
2. General Authority of Zakat, Tax, and Customs	Statutory payment of Zakat	67,690,412
3. General Authority of Zakat, Tax, and Customs	Statutory payment of Withholding tax and VAT	145,203,480
4. General Organization for Social Insurance	Statutory payment on the employees	28,107,341

Punishments and penalties

Saudi Tadawul Group did not incur any punishment or penalties during the year of 2022 from any oversight, regulatory, or judicial bodies.

FINANCIAL PERFORMANCE FOR 2022

Preparation of the Financial Statements

In addition, there are no differences from the accounting standards issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). There are no material notes from the Auditor's on the Company's financial statements for the fiscal 2022.

Income Statement

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Operating revenue	1,071,429,658	1,166,080,140	1,079,635,090	564,747,899	583,280,040
Operating costs	(387,725,914)	(331,786,738)	(336,748,634)	(325,979,623)	(294,664,266)
Gross profit	683,703,744	834,293,402	742,886,456	238,768,276	288,615,774
General and administrative expenses	(256,317,557)	(221,535,351)	(177,719,748)	(193,786,573)	(207,543,808)
(Allowance)/reversal of allowance for expected credit losses	(268,425)	814,878	(19,735,859)	(148,493)	(3,839,672)
Operating profit	427,117,762	613,572,929	545,430,849	44,833,210	77,232,294
Investment income	74,724,252	40,596,274	38,797,145	94,343,939	79,211,522
Share of net loss in an equity-accounted investee	(9,918,562)	(3,279,208)	(2,101,685)	(1,610,095)	(6,629,084)
Finance costs	(2,371,987)	(2,695,456)	(2,525,112)	(3,174,036)	(2,976,469)
Other income	2,737,273	5,732,352	4,478,947	18,900,768	1,348,402
Non-operating profit	65,170,976	40,353,962	38,649,295	108,460,576	70,954,371
Profit for the year before Zakat	492,288,738	653,926,891	584,080,144	153,293,786	148,186,665
Zakat	(67,690,412)	(66,223,360)	(83,561,274)	-	-
Profit for the year after Zakat	424,598,326	587,703,531	500,518,870	153,293,786	148,186,665

Balance Sheet

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
ASSETS					
Current assets					
Cash and cash equivalents	2,118,826,096	86,197,458	96,798,376	268,487,867	363,178,918
Clearing participant financial assets	4,060,678,204	18,013,567	32,177,558	-	-
Accounts receivables, net	64,348,393	60,547,611	57,364,818	41,179,879	38,594,342
Prepaid expenses and other assets	116,105,444	108,059,619	102,271,835	102,841,000	31,959,881
Investments	618,569,219	2,631,732,808	3,103,518,964	2,660,288,572	2,616,337,849
Total current assets	6,978,527,356	2,904,551,063	3,392,131,551	3,072,797,318	3,050,070,990
Non-current assets					
Investment in equity-accounted investee	400,697,523	375,616,085	378,895,293	40,996,978	42,607,073
Property and equipment, net	110,404,115	56,056,384	21,381,712	13,693,404	18,321,065
Intangible assets, net	139,298,385	144,727,277	179,552,282	176,516,175	114,622,164
Investments	55,809,077	55,272,377	101,267,886	231,554,876	306,327,691
Right of use assets	5,310,445	7,120,394	19,856,726	11,271,347	-
Total non-current assets	711,519,545	638,792,517	700,953,899	474,032,780	481,877,993
Total assets	7,690,046,901	3,543,343,580	4,093,085,450	3,546,830,098	3,531,948,983

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
LIABILITIES AND SHAREHOLDER'S EQUITY					
Current liabilities					
Clearing participant financial liabilities	4,031,775,573	18,013,349	22,177,557	-	-
Lease liability	-	982,913	9,128,643	4,263,087	-
Accounts payables	30,928,875	6,785,710	5,977,047	105,383,866	87,268,042
Balance due to Capital Market Authority	19,375,330	22,280,843	32,758,785	22,330,201	56,661,001
Accrued expenses and other liabilities	264,771,975	236,085,074	205,953,907	75,018,332	59,136,932
Deferred revenue	16,722,361	3,214,902	3,223,464	3,134,967	4,733,107
Zakat payable	67,221,868	66,663,698	83,561,274	-	-
Total current liabilities	4,430,795,982	354,026,489	362,780,677	210,130,453	207,799,082
Non-current liabilities					
Provision for end-of-service benefits	79,561,092	96,876,185	91,024,046	77,294,401	72,059,827
Lease liability	-	-	4,658,348	-	-
Provision for specific obligations	-	-	-	-	17,430,875
Total non-current liabilities	79,561,092	96,876,185	95,682,394	77,294,401	89,490,702
Total liabilities	4,510,357,074	450,902,674	458,463,071	287,424,854	297,289,784
Shareholder's equity					
Share capital	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Statutory reserve	360,000,000	360,000,000	376,963,633	326,911,746	311,582,367
General reserve	-	-	1,114,180,214	1,114,180,214	1,114,180,214
Retained earnings	1,619,689,827	1,532,440,906	943,478,532	618,313,284	608,896,618
Total shareholder's equity	3,179,689,827	3,092,440,906	3,634,622,379	3,259,405,244	3,234,659,199
Total liabilities and shareholder's equity	7,690,046,901	3,543,343,580	4,093,085,450	3,546,830,098	3,531,948,983

BOARD OF DIRECTORS DECLARATIONS

The Board confirms the following:

- Correctly prepared account records.
- The internal control system was prepared on a sound basis and was effectively implemented.
- There is not the slightest doubt about the Company's ability to continue its activity.
- There were no recommendations by the audit committee which conflict with Board resolution or any recommendations that the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor, or appointment of an internal auditor.
- The Company has no loans.
- As of the end of 2022, there was no punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the Capital Market Authority or any other supervisory, regulatory or judiciary authority.
- There was no arrangement or agreement whereby a Board Member or a senior executive waived any salary or compensation.
- There was no arrangement or agreement under which a shareholder of the company has waived any rights to dividends.
- Saudi Tadawul Group did not incur any punishment or penalties during the year of 2022 from any oversight, regulatory, or judicial bodies.

- Where applicable, the Board Members are informed through the Chairperson, of the shareholders' suggestions and remarks on the Company and its performance.
- There is no any arrangement or agreement under which a shareholder of the company has waive any rights to dividends.
- There was no competing business with the Company or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses.

CONTACTS FOR INVESTOR RELATIONS

Contact Name

Investor Relation Department

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Unit No: 15
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Kingdom of Saudi Arabia

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Website

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STRONG PRINCIPLES DEMONSTRATED IN RESILIENT RESULTS: Financial Reports

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Independent Auditors' Report



Ernst & Young Professional Services (Professional LLC)
 Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
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TO THE SHAREHOLDERS OF SAUDI TADAWUL GROUP HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)

Opinion

We have audited the consolidated financial statements of Saudi Tadawul Group Holding Company, a Saudi joint stock company, (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2021, were audited by another auditor who expressed unqualified opinion on those consolidated financial statements on 6 Sha'ban 1443H (corresponding to 9 March 2022).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

Revenue recognition

Revenue is key element of consolidated financial statements due to its materiality and is a key metric for the user of the Group's consolidated financial statements. Due to its scale and significance to the consolidated financial statements revenue recognition is determined as key audit matter.

The Group has recognized revenue of SAR 1,071 Mn for the year ended 31 December 2022 (2021: SAR 1,166 Mn).

The Group's revenue comprises of trading services, listing services, technology and information services, membership services and post-trade services. The recognition of certain revenue streams is automated while others revenue streams is through manual processing, therefore, controls around revenue recognition process are critical for correct recognition of revenue.

How our audit addressed the key audit matter

Our audit procedures performed included, among others, the following:

- Obtained our understanding of the revenue recognition process including the recording of the different revenue streams;
- Tested design and implementation of relevant key controls around the revenue recognition process including the recognition of revenue streams;
- Involved our IT specialists to test the operating effectiveness of general IT controls and IT application controls around the revenue recognition of trading services, technology and information services and major post-trade services (clearing, settlement and trading related custody services);
- Performed recalculation of revenue recorded from trading services, listing fees (annual) and part of post-trade services (in relation to trading activity);
- For a sample of transactions, we performed test of details to verify that the revenue recorded from listing fees, technology and information services and other post-trade services exists and is accurate through vouching to sales invoices;
- Evaluated the accounting policies around the recognition of revenue under each revenue stream to determine if the recognition meets the point in time or over the period revenue recognition criteria; and
- Assessed the appropriateness of the presentation and disclosures in the consolidated financial statements with respect to revenue and the relevant accounting policies.

Other information included in The Group's 2022 Annual Report

Other information consists of the information included in the Group's 2022 annual report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information in its annual report. The Group's 2022 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it

becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Notes to the consolidated financial statements

For the year ended 31 December 2022
(Saudi Arabian Riyals)



When we read the Group's 2022 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies Law and Company's By-laws, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform

audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Notes to the consolidated financial statements

For the year ended 31 December 2022
(Saudi Arabian Riyals)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services

Waleed G. Tawfiq
Certified Public Accountant
License No. (437)

Riyadh: 05 Sha'ban 1444H
(25 February 2023)



Consolidated Statement of Financial Position

As at 31 December 2022
(Saudi Arabian Riyals)

Consolidated Statement of Financial Position

As at 31 December 2022
(Saudi Arabian Riyals)

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SAUDI TADAWUL GROUP ANNUAL REPORT 2022

	Notes	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property and equipment	4	110,404,115	56,056,384
Intangible assets	5	139,298,385	144,727,277
Investment in associates	6	400,697,523	375,616,085
Right-of-use assets	7	5,310,445	7,120,394
Investments	8	55,809,077	55,272,377
Total non-current assets		711,519,545	638,792,517
Current assets			
Investments	8	618,569,219	2,631,732,808
Accounts receivable	9	64,348,393	60,547,611
Prepaid expenses and other current assets	10	116,105,444	108,059,619
Clearing participant financial assets	11	4,060,678,204	18,013,567
Cash and cash equivalents	12	2,118,826,096	86,197,458
Total current assets		6,978,527,356	2,904,551,063
Total assets		7,690,046,901	3,543,343,580
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1,200,000,000	1,200,000,000
Statutory reserve	13	360,000,000	360,000,000
Retained earnings		1,619,689,827	1,532,440,906
Total equity		3,179,689,827	3,092,440,906
Non-current liability			
Employees' end-of-service benefits liability	14	79,561,092	96,876,185
Total non-current liability		79,561,092	96,876,185

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SAUDI TADAWUL GROUP ANNUAL REPORT 2022

	Notes	31 December 2022	31 December 2021
Current liabilities			
Clearing participant financial liabilities	15	4,031,775,573	18,013,349
Lease liabilities	16	-	982,913
Accounts payable	17	30,928,875	6,785,710
Balance due to Capital Market Authority (CMA)	18	19,375,330	22,280,843
Deferred revenue	19	16,722,361	3,214,902
Accrued expenses and other current liabilities	20	264,771,975	236,085,074
Zakat provision	21	67,221,868	66,663,698
Total current liabilities		4,430,795,982	354,026,489
Total liabilities		4,510,357,074	450,902,674
Total equity and liabilities		7,690,046,901	3,543,343,580

The accompanying notes from (1) through (37) form an integral part of these consolidated financial statements.



Chairperson



Group Chief Executive Officer



Group Chief Financial Officer

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2022
(Saudi Arabian Riyals)

For the year ended 31 December	Notes	2022	2021
Operating revenue	22	1,071,429,658	1,166,080,140
Operating costs	23	(387,725,914)	(331,786,738)
Gross profit		683,703,744	834,293,402
General and administrative expenses	24	(256,317,557)	(221,535,351)
(Allowance)/reversal of allowance for expected credit losses	25	(268,425)	814,878
Operating profit		427,117,762	613,572,929
Investment income	26	74,724,252	40,596,274
Share results of associates	6	(9,918,562)	(3,279,208)
Finance costs	27	(2,371,987)	(2,695,456)
Other income, net		2,737,273	5,732,352
Non-operating profit		65,170,976	40,353,962
Profit before zakat for the year		492,288,738	653,926,891
Zakat expense	21	(67,690,412)	(66,223,360)
Net profit for the year		424,598,326	587,703,531
Other comprehensive income/(loss)			
Other comprehensive income/(loss) that will not be reclassified subsequently to the statement of profit or loss:			
Actuarial remeasurement of employees' termination benefits	14	22,650,595	(9,885,004)
Other comprehensive income/(loss) for the year		22,650,595	(9,885,004)
Total comprehensive income for the year		447,248,921	577,818,527
Basic and diluted earnings per share	28	3.54	4.90

The accompanying notes from (1) through (37) form an integral part of these consolidated financial statements.

 Chairperson
  Group Chief Executive Officer
  Group Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 31 December 2022
(Saudi Arabian Riyals)

	Share capital	Statutory reserve	General reserve	Retained earnings	Total equity
Balance as at 1 January 2022	1,200,000,000	360,000,000	–	1,532,440,906	3,092,440,906
Net profit for the year	–	–	–	424,598,326	424,598,326
Other comprehensive income for the year	–	–	–	22,650,595	22,650,595
Total comprehensive income for the year	–	–	–	447,248,921	447,248,921
Dividends (Note 35)	–	–	–	(360,000,000)	(360,000,000)
Balance as at 31 December 2022	1,200,000,000	360,000,000	–	1,619,689,827	3,179,689,827
Balance as at 1 January 2021	1,200,000,000	376,963,633	1,114,180,214	943,478,532	3,634,622,379
Net profit for the year	–	–	–	587,703,531	587,703,531
Other comprehensive loss for the year	–	–	–	(9,885,004)	(9,885,004)
Total comprehensive income for the year	–	–	–	577,818,527	577,818,527
Dividends (Note 35)	–	–	–	(1,120,000,000)	(1,120,000,000)
Transfer to retained earnings	–	(16,963,633)	(1,114,180,214)	1,131,143,847	–
Balance as at 31 December 2021	1,200,000,000	360,000,000	–	1,532,440,906	3,092,440,906

The accompanying notes from (1) through (37) form an integral part of these consolidated financial statements.

 Chairperson
  Group Chief Executive Officer
  Group Chief Financial Officer

Consolidated Statement of Cash Flows

For the year ended 31 December 2022
(Saudi Arabian Riyals)

Consolidated Statement of Cash Flows

For the year ended 31 December 2022
(Saudi Arabian Riyals)

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SAUDI TADAWUL GROUP ANNUAL REPORT 2022

For the year ended 31 December	Notes	2022	2021
Cash flows from operating activities			
Profit before zakat for the period		492,288,738	653,926,891
Adjustments to reconcile profit before zakat for the year to net cash generated from operating activities:			
Depreciation and amortization	23,24	63,179,908	57,016,184
Allowance/(reversal) of allowance for expected credit losses	9	315,081	(817,875)
(Reversal)/allowance for expected credit losses on investments held at amortized cost	8.1.1	(46,656)	2,997
Provision for employees' end-of-service benefits	14	12,305,828	11,430,706
Realized gain on sale of investments	26	(17,707,501)	(8,826,153)
Unrealized gain on investments	26	(8,722,423)	(22,134,258)
Dividend income	26	(5,513,917)	(6,103,257)
Commission income	26	(42,780,411)	(3,532,606)
Share of results of associates	6	9,918,562	(3,279,208)
Interest expense on lease liability		130,602	956,484
Changes in operating assets and liabilities:			
Accounts receivable		(4,115,863)	(3,182,793)
Prepaid expenses and other current assets		(8,045,825)	(5,787,784)
Accounts payable		24,143,165	808,663
Balance due to Capital Market Authority (CMA)		(2,905,513)	(10,477,942)
Deferred revenue		13,507,459	(8,562)
Accrued expenses and other current liabilities		28,686,901	30,131,167
Clearing participant financial assets		(4,023,898,360)	4,163,991
Clearing participant financial liabilities		4,013,762,224	(4,164,208)
Net cash generated from operations		544,501,999	690,122,437
Employees' end-of-service benefits paid	14	(6,970,326)	(15,463,571)
Zakat paid	21	(67,132,242)	(83,120,936)
Net cash flows from operating activities		470,399,431	591,537,930

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SAUDI TADAWUL GROUP ANNUAL REPORT 2022

For the year ended 31 December	Notes	2022	2021
Cash flows from investing activities			
Purchase of investments		(901,297,885)	(1,990,510,071)
Proceeds from disposal of investments		2,943,673,156	2,552,112,946
Commission income received on investment at amortized cost		3,142,172	3,218,820
Dividend income received		1,446,909	264,930
Commission received on time deposits		21,674,617	-
Purchase of intangible assets and property and equipment		(99,094,375)	(43,464,911)
Investment in associate		(35,000,000)	-
Net cash flows from investing activities		1,934,544,594	521,621,714
Cash flows from financing activities			
Finance cost paid of lease liabilities		(130,602)	(956,484)
Principal repayment of lease liabilities		(12,184,785)	(12,804,078)
Dividends paid	35	(360,000,000)	(1,120,000,000)
Net cash flows in financing activities		(372,315,387)	(1,133,760,562)
Net increase/(decrease) in cash and cash equivalents		2,032,628,638	(20,600,918)
Cash and cash equivalents at the beginning of the year		86,197,458	106,798,376
Cash and cash equivalents at end of the year	12	2,118,826,096	86,197,458

The accompanying notes from (1) through (37) form an integral part of these consolidated financial statements.



Chairperson



Group Chief Executive Officer



Group Chief Financial Officer

Notes to the consolidated financial statements

For the year ended 31 December 2022
(Saudi Arabian Riyals)

Notes to the consolidated financial statements

For the year ended 31 December 2022
(Saudi Arabian Riyals)

1. GENERAL

Saudi Tadawul Group Holding Company (formerly "Saudi Stock Exchange Company") (the Company) is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration number 1010241733 dated 2/12/1428 H (corresponding to 12 December 2007). The Company was established by the Royal Decree No. M/15 dated 01/03/1428 H (corresponding to 20 March 2007) and the Ministry of Commerce resolution No. 320/k dated 1/12/1428 H (corresponding to 11 December 2007).

On 1 June 2021, the Company announced its restructuring which resulted in transforming the Saudi Stock Exchange Company (Tadawul) into a holding company under the name of Saudi Tadawul Group Holding Company, a parent company of four wholly owned subsidiaries; Saudi Exchange Company (Exchange), Securities Clearing Center Company (Muqassa), the Securities Depository Center Company (Edaa), and Tadawul Advanced Solution Company (Wamid). The details of these subsidiaries are given in Note 1.1. From 1 June 2021, the operations of the Company, that included listing, trading and dissemination of securities information were transferred to the Exchange.

The Company was wholly owned by the Government of the Kingdom of Saudi Arabia (the "Government") as ultimate controlling party through the Public Investment Fund ("PIF" or "Parent"). On 8 December, 2021, the Company completed its Initial Public Offering ("IPO") and its ordinary shares were listed on the Saudi Stock Exchange. In connection with the IPO, the Government through PIF sold 30% of their stake representing 36 million ordinary shares. On 13 November 2022, PIF sold an additional 10% of their stake representing 12 million ordinary shares. Accordingly, PIF now holds 60% (31 December 2021: 70%) of the share capital. As at 31 December 2022, the authorized, issued and fully paid-up share capital of the Company is SAR 1,200 million (31 December 2021: SAR 1,200 million) divided into 120 million shares (31 December 2021: 120 million shares) of SAR 10 each.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively referred to as "the Group").

The Company's main activities, after becoming a holding company, are managing and supporting subsidiaries or participating in the management

of other companies in which it owns shares, investing its funds in shares and other securities, owning real estate and other properties in connection with its businesses, granting loans, guarantees and financing to its subsidiaries, and owning and leasing industrial property rights to its subsidiaries or other companies.

The Group's main activities through dedicated subsidiaries (given in Note 1.1) is to provide a listing service, create and manage the mechanisms of trading of securities, providing depository and registration services for securities ownership, clearing of securities trades, dissemination of securities information and engage in any related other activity to achieve the objectives as defined in the Capital Market Law.

The Company's registered office address is as follows:
6897 King Fahd Road – Al Olaya
Unit Number: 15
Riyadh 12211-3388
Kingdom of Saudi Arabia

1. GENERAL (CONTINUED)

1.1 Details of the Company's subsidiaries:

Name of subsidiary	Country of incorporation and legal status	Commercial registration dated	Business activity	Ownership, direct and effective		Paid up share capital
				December 2022	December 2021	
Securities Depository Center Company ("Edaa")	Kingdom of Saudi Arabia, Closed Saudi Joint Stock Company	27/11/1437 H (corresponding to 30 August 2016 G)	Depository and registration of securities	100%	100%	400,000,000
Securities Clearing Center Company ("Muqassa")	Kingdom of Saudi Arabia, Closed Saudi Joint Stock Company	02/06/1439 H (corresponding to 18 February 2018 G)	Clearing services of securities	100%	100%	600,000,000
Tadawul Advanced Solution Company ("Wamid")	Kingdom of Saudi Arabia, Closed Saudi Joint Stock Company	10/02/1442 H (corresponding to 28 September 2020 G)	Financial technology solutions, innovative capital market solutions for stakeholders	100%	100%	75,000,000
Saudi Exchange Company ("Exchange")	Kingdom of Saudi Arabia, Closed Saudi Joint Stock Company	17/08/1442 H (corresponding to 31 March 2021G)	Listing and trading of securities, market information dissemination	100%	100%	600,000,000

1.2 Details of the Company's associate:

Name of associate	Country of incorporation and legal status	Commercial registration dated	Business activities	Ownership, direct and effective		Paid up share capital
				December 2022	December 2021	
Tadawul Real Estate Company ("TREC")	Kingdom of Saudi Arabia, Limited Liability Company	22/02/1433 H (corresponding to 17 January 2012 G)	Buying, selling, renting, managing and operating real estate facilities	33.12%	33.12%	1,280,000,000
Regional Voluntary Carbon Market Company ("RVCM"), refer Note 6.2	Kingdom of Saudi Arabia, Limited Liability Company	28/03/1444 H (corresponding to 24 October 2022 G)	Active market and Auction for Carbon Credits	20%	-	175,000,000

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and in compliance with the provisions of the Companies Law in the Kingdom of Saudi Arabia and the By-laws of the Company.

2.2 Basis of measurement

These consolidated financial statements have been prepared on historical cost basis, except for financial assets measured at fair value through profit or loss which are measured at fair value and employees' end-of-service benefits which are measured at the present value of future obligations using projected unit credit method.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Arabian Riyals ("SAR"), which is the functional and presentational currency of the Group and its subsidiaries and associates. All amounts have been rounded to the nearest SAR.

2.4 Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets,

liabilities, profit and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about material assumptions and estimation uncertainties are included in:

- **Impairment of investment in associates:**

As referred to in Note 3.7 of these consolidated financial statements, the Group estimates the recoverable amount of its investment for the assessment of impairment. To compute the recoverable amount of investment in associates, the Group applies its judgment in determining the recoverable amount. Based on the evaluation, the Group has concluded that there are no impairment indicators as at year end.

- **Valuation of the employees' end-of-service benefits liability:**

The costs of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions, which are reviewed annually. Key assumptions include discount rates, future salary increases, employee turnover and mortality rates. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Information about amounts reported in respect of defined benefit plans, assumptions applicable to the plans and their sensitivity to changes are presented in Note 14.

- **Allowance for expected credit losses:**

Allowance of expected credit losses are probability-weighted estimate of credit losses. Loss rates are

calculated using "roll rate" method based on the probability of a trade debt progressive through successive stages of delinquency to calculate the weighted average loss rate. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

- **Impairment of property and equipment, intangible and right-of-use assets refer Note 3.6**
- **Revenue recognition on time or over period of time refer Note 3.11**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below.

3.1 New standards and amendments issued

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Various amendments apply for the first time in 2022, but do not have an impact on the consolidated financial statements of the Group.

- Amendment to IFRS 16, "Leases" – COVID-19 related rent concessions extension of the practical expedient (effective for annual periods beginning on or after 1 April 2021).
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (effective for annual periods beginning on or after 1 January 2022):

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 New standards and amendments issued (Continued)

- Amendments to IFRS 3, "Business Combinations" update a reference in IFRS 3 to the Conceptual Framework for Financial.

- Reporting without changing the accounting requirements for business combinations.
- Amendments to IAS 16, "Property, Plant and Equipment" prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in statement of income.

- Amendments to IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" specify which costs a company includes when assessing whether a contract will be loss-making.
- Annual improvements make minor amendments to IFRS 1, "First-time Adoption of IFRS", IFRS 9, "Financial Instruments", IAS 41, "Agriculture" and the Illustrative Examples accompanying IFRS 16, "Leases".

Standards and amendments issued and not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Effective for annual financial periods beginning on or after	Standard, amendment or interpretation	Summary of requirements
1 January 2024	Amendments to IAS 1, "Presentation of Financial Statements", on classification of liabilities	These narrow-scope amendments to IAS 1, "Presentation of Financial Statements", clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.
1 January 2023	Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
1 January 2023	Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
1 January 2023	IFRS 17, "Insurance Contracts", as amended in June 2020	This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
1 January 2023	Amendments to IAS 8 – Definition of accounting estimates	The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.
1 January 2024	Amendments to IFRS 16 – Lease liability in a sale and leaseback	The amendments require seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Basis of consolidation

These consolidated financial statements comprise the financial statements of Saudi Tadawul Group Holding Company and its subsidiaries (collectively referred to as "the Group"). Control is achieved if the Group is exposed to or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group

obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in the consolidated statement of income. Any investment retained is recognized at fair value.

3.3 Financial instruments

i. Recognition and initial measurement:

Account receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement of financial assets:

The classification and measurement of financial assets is set out below:

- amortized cost;
- fair value through other comprehensive income (FVOCI) – debt investment;
- fair value through other comprehensive income (FVOCI) – equity investment; or
- fair value through profit or loss (FVTPL)

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

ii. Classification and subsequent measurement of financial assets: (continued)

Investments in debt securities which meet the above conditions, cash and cash equivalents, accounts receivable and other receivables are carried at amortized cost.

Financial assets at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets

the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments in units of mutual funds are carried at FVTPL.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's Management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

ii. Classification and subsequent measurement of financial assets: (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an

amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Fair value changes including any interest or dividend, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Financial assets at amortized cost	These assets are recognized initially at cost and subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest profit, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Fair value changes are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Fair value changes are recognized in OCI and are never reclassified to profit or loss.

iii. Classification and measurement of financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss, unless they are required to be measured at fair value through profit or loss. The Group measure all financial liabilities at amortized cost except employees' end-of-service benefit liability.

iv. Derecognition

Financial assets

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Financial liabilities

A financial liability is derecognized when its contractual obligations are discharged or cancelled or expired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

v. Offsetting

Financial assets and liabilities are offset and reported net in the statement of financial position when there is a currently legally enforceable right to set off the recognized amounts and when the Group intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Profit and expenses are not being offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

vi. Impairment of financial assets

IFRS 9 uses the "expected credit loss" (ECL) model to assess the impairment of financial assets. The impairment model applies to financial assets measured at amortized cost and contract assets but not to investments in equity instruments.

The expected credit loss shall be measured and provided either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. If the credit risk of the financial instrument has not increased significantly since inception, then an amount equal to 12 month expected loss is provided. In other cases, lifetime credit losses shall be provided. For trade receivables with a significant financing component, a simplified approach is available, whereby an assessment of increase in credit risk need not be performed at each reporting date.

Instead, the Group can choose to provide for the expected losses based on lifetime expected losses. The Group has chosen to avail the option of lifetime expected credit losses ("ECL"). For trade receivables with no significant financing component, the Group is required to follow lifetime ECL.

The Group recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost; and
- contract assets

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12 months ECLs:

- debt instruments that are determined to have low credit risk at the reporting date; and
- other debt instruments and bank balances for which credit risk has not increased significantly since initial recognition.

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Loss rates are calculated using "roll rate" method based on the probability of a trade debt progressive through successive stages of delinquency to calculate the weighted average loss rate. These rates are multiplied by scalar factors to reflect the difference between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Credit losses for financial assets other than trade receivables which are current in nature are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.)

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to accounts receivables and investments at amortized cost are presented in profit or loss.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is Written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount when:

- the customer has been deemed bankrupt;
- the customer seized to exist as a legal entity; or
- the Group negotiated a partial payment where the rest of the outstanding balance will be written off

3.4 Property and equipment

Property and equipment except land are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at its cost.

The cost include expenditure directly attributable to the acquisition of the asset including the cost of purchase and any other costs directly attributable to bringing the assets to a working condition for their intended use. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The cost of replacing part of an item of operating fixed assets is recognized in the carrying amount of the item if it is probable the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of operating fixed assets are recognized in the profit or loss as incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Depreciation

Depreciation is calculated over depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment except for the land and capital work-in-progress. Depreciation of an asset begins when it is available for use.

The estimated useful lives for current and comparative periods of different items of property and equipment are as follows:

	Estimated useful lives (years)
Building	30
Furniture and fixtures	10
Computers	4
Office equipment	6
Vehicles	4

Depreciation methods, useful lives, impairment indicators and residual values are reviewed at each annual reporting date and adjusted, if appropriate.

3.5 Intangible assets

These represent software held for use in the normal course of business and are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged to profit or loss over an estimated useful lives of the software using the straight-line method. The estimated useful lives of softwares ranges from 4 to 10 years.

Work-in-progress is stated at cost until the development of software is complete and installed. The software is developed by third parties to the Group's specification. Upon the completion and installation, the cost together with cost directly attributable to development and installation are capitalized to the intangibles. No amortization is charged on work-in-progress.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Intangible assets (continued)

An item of intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

3.6 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

The Group's corporate assets do not generate separate cash inflows. Therefore, a corporate asset is not tested for impairment as an individual

asset on a stand-alone basis, unless Management has decided to dispose of the asset. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. A portion of a corporate asset is allocated to a CGU when the allocation can be done on a reasonable and consistent basis.

When a portion of a corporate asset cannot be allocated to a CGU on a reasonable and consistent basis, two levels of impairment tests are carried out.

- The first test is performed at the individual CGU level without the corporate asset (bottom-up test), and any impairment loss is recognized.
- The second test is applied to the minimum collection of CGUs to which the corporate asset can be allocated reasonably and consistently (top-down test).

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.7 Investments in investment in associates

An associate is an entity over which the Group has significant influence, but

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not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The consolidated financial statements include the Group's share of the profit or loss and equity movements of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has a corresponding obligation.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the loss in the profit and loss.

Unrealized gains arising from transactions associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks in current accounts and other short-term liquid investments with original maturities of three months or less and that are subject to an insignificant risk of changes in value, if any, which are available to the Group without any restrictions.

3.9 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost in profit or loss.

3.10 Employees' end-of-service benefits liability

Employees' end-of-service benefits are payable to all employees employed under the terms and conditions of the labor laws applicable to the Group.

The Group's net obligation in respect of employees' end-of-service benefits is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods. That benefit is discounted to determine its present value.

Remeasurements, comprising actuarial gains and losses, are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income, in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods

The Group recognizes the following changes in the defined benefits obligation under "operating cost" and

"general and administrative expenses" in the profit and loss account:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Interest expense.

The calculation of defined benefits obligation is performed annually by a qualified actuary using the projected unit credit method.

3.11 Revenue recognition

The main source of the Group's revenue is through fees for services provided. Revenue is measured based on the consideration specified in a contract with a customer.

The Group recognizes revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a promise in a contract with a customer to transfer a good or deliver a service to the customer.
Step 3: Determine the transaction price	The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or deliver services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price	For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the total consideration to which the Group is entitled in exchange for satisfying each performance obligation.
Step 5: Recognize revenue	The Group recognizes revenue (or as) it satisfies a performance obligation by transferring a promised good or deliver a service to the customer under a contract.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Revenue recognition (continued)

The revenue recognition policies for revenue streams under each operating segment are set out below:

A. Capital markets

Revenues in the Capital Markets segment are generated from Primary and Secondary market services.

A.1 Primary market initial listing and the ongoing listing services represent a performance obligation from initial listing and additional issuances at over period of time. The Group recognizes the revenue at the time of admission and additional issuance. All initial listing fees are billed to the listed company at the time of admission and become payable when invoiced.

A.2 Primary market annual listing fees, secondary markets membership and subscription fees are collected semi-annually and are recorded as contract liabilities (deferred revenue) and subsequently recognized in profit or loss on a straight-line basis over the period of 12 months to which the fee relates, as it reflects the extent of the Group's progress towards completion of the performance obligation under the contract.

A.3 Secondary market trading and associated capital market services are recognized as revenue on a per transaction basis at the point the service is provided.

A.4 Derivative market trading and associated capital market services are recognized as revenue on a per transaction basis at the point the service is provided.

B. Post trade

Revenues in the post trade segment are generated from clearing, settlement, custody and other post trade services.

B.1 Clearing, settlement and custody services generate fees from trades or contracts cleared and settled and custody services which are recognized as revenue at a point in time when the Group meets its obligations to complete the transaction or service. In cases where the Group's performance obligations related to custody services are completed over time, revenue is recognized on a straight-line basis, representing the continuous delivery of services over the period. In cases where there is a fixed annual fee for a service, the revenue is recognized overtime and billed on annual basis.

B.2 Other post trade services include revenue from registry services which is collected annually at the start of the year and is recorded as contract liabilities (deferred revenue) and is subsequently recognized in profit or loss on a straight-line basis over the period to which the fee relates, as it reflects the extent of the Group's progress towards completion of the performance obligation under the contract.

C. Data and technology services

The data and technology services segment generates revenues from the provision of information and data products including, benchmarks and customized indices, real-time market

data, reference data and analytics services.

C.1 Data subscription and index license fees are recognized over the license or usage period as the Group meets its obligation to deliver data consistently throughout the license period. Services are billed on a monthly or annual basis.

C.2 Colocation services offer trading participants the opportunity to colocate their services and rent server space within the Company's data center to ensure the lowest latency route possible to Saudi Tadawul Group's trading services and products. This revenue is recognized over time, consistent with the pattern of the service provision and how the performance obligation is satisfied throughout the contract period.

C.3 Other information services include licenses to the regulatory news service and reference data businesses. Revenue from licenses that grant the right to access intellectual property are recognized over time, consistent with the pattern of the service provision and how the performance obligation is satisfied throughout the license period.

D. Other fees

These fees are generated from the provision of events and media services, and are typically recognized as revenue at the point the service is rendered and becomes payable when invoiced.

E. Dividend income

Dividend income recognized when the right to receive is established.

F. Commission income

Special commission income recognized in profit or loss on an effective yield basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Expenses

General and administrative expenses are those arising from the Group's efforts underlying the marketing, consultancy, administrative and maintenance functions. Costs that relate directly to operations are classified as operating cost. Allocations of common expenses between operating costs and general and administrative expenses, when required, are made on a consistent basis.

3.13 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of 2022. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of FVOCI instruments, which are recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.14 Zakat

The Group is subject to Zakat in accordance with the Zakat regulation issued by the General Authority for Zakat and Tax ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is recognized in the consolidated statement of profit or loss. Zakat is levied at a fixed rate of 2.5% of the Zakat base as defined in the Zakat regulations.

Additional Zakat calculated by ZATCA, if any, related to prior years is recognized in the year in which final declaration is issued.

3.15 Contingent liabilities

All possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly with the control of the Group; or all present obligations arising from past events but not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability. All are assessed at reporting date and disclosed in the Group's consolidated financial statements under contingent liabilities.

3.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Fair value measurement (continued)

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, Management of the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation

techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.17 Right-of-use assets and lease liabilities

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration.

As a lessee:

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred at and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.17 Right-of-use assets and lease liabilities (continued)**

- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items relating to office equipment.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.18 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when:

- expected to be realized or intended to be sold or consumed in the normal operating;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

4. PROPERTY AND EQUIPMENT

	Notes	Land	Buildings	Furniture and fixtures	Computers	Office equipment	Vehicles	Capital work-in-progress	Total
Cost:									
Balance as at 1 January 2021		2,310,985	618,248	19,985,449	118,338,359	18,744,035	1,656,350	2,003,775	163,657,201
Additions		–	–	1,958,298	7,042,774	1,002,817	477,372	1,767,262	12,248,523
Reclassification	5	–	–	–	34,322,078	–	–	–	34,322,078
Disposals		–	–	–	(14,530)	–	–	–	(14,530)
Balance as at 31 December 2021		2,310,985	618,248	21,943,747	159,688,681	19,746,852	2,133,722	3,771,037	210,213,272
Additions		–	–	61,650	21,031,232	505,410	86,381	32,923,709	54,608,382
Reclassification	5	–	–	–	–	–	–	15,490,746	15,490,746
Disposals		–	–	–	(16,808)	–	(29,500)	–	(46,308)
Balance as at 31 December 2022		2,310,985	618,248	22,005,397	180,703,105	20,252,262	2,190,603	52,185,492	280,266,092
Accumulated depreciation:									
Balance as at 1 January 2021		–	109,910	17,020,338	106,040,851	17,448,040	1,656,350	–	142,275,489
Charge for the year	4.1	–	20,608	786,971	10,138,329	846,291	96,229	–	11,888,428
Disposals		–	–	–	(7,029)	–	–	–	(7,029)
Balance as at 31 December 2021		–	130,518	17,807,309	116,172,151	18,294,331	1,752,579	–	154,156,888
Charge for the year	4.1	–	20,609	771,169	14,169,350	602,485	180,335	–	15,743,948
Disposals		–	–	–	(9,359)	–	(29,500)	–	(38,859)
Balance as at 31 December 2022		–	151,127	18,578,478	130,332,142	18,896,816	1,903,414	–	169,861,977
Net book value:									
As at 31 December 2022		2,310,985	467,121	3,426,919	50,370,963	1,355,446	287,189	52,185,492	110,404,115
As at 31 December 2021		2,310,985	487,730	4,136,438	43,516,530	1,452,521	381,143	3,771,037	56,056,384

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4. PROPERTY AND EQUIPMENT (CONTINUED)

4.1 Depreciation expenses is allocated as follows:

For the year ended 31 December	2022	2021
Operating costs	13,348,394	10,234,593
General and administrative expenses	2,395,554	1,653,835
Total	15,743,948	11,888,428

5. INTANGIBLE ASSETS

	Notes	Software	Capital work-in-progress	Total
Cost:				
Balance as at 1 January 2021		330,629,977	98,779,677	429,409,654
Additions		13,132,730	18,083,658	31,216,388
Reclassification	4	–	(34,322,078)	(34,322,078)
Balance as at 31 December 2021		343,762,707	82,541,257	426,303,964
Additions		44,485,993	–	44,485,993
Transfer to Software		38,782,593	(38,782,593)	–
Reclassification	4	–	(15,490,746)	(15,490,746)
Balance as at 31 December 2022		427,031,293	28,267,918	455,299,211
Accumulated amortization:				
Balance as at 1 January 2021		249,857,372	–	249,857,372
Charge for the year	5.1	31,719,315	–	31,719,315
Balance as at 31 December 2021		281,576,687	–	281,576,687
Charge for the year	5.1	34,424,139	–	34,424,139
Balance as at 31 December 2022		316,000,826	–	316,000,826
Net book value as at 31 December 2022		111,030,467	28,267,918	139,298,385
Net book value as at 31 December 2021		62,186,020	82,541,257	144,727,277

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5. INTANGIBLE ASSET (CONTINUED)

5.1 Amortization expense allocation is as follows:

For the year ended 31 December	2022	2021
Operating costs	28,247,238	25,279,866
General and administrative expenses	6,176,901	6,439,449
Total	34,424,139	31,719,315

6. INVESTMENT IN ASSOCIATES

	Notes	31 December 2022	31 December 2021
Investment in Tadawul Real Estate Company ("TREC")	6.1	365,697,523	375,616,085
Investment in Regional Voluntary Carbon Company ("RVCMC")	6.2	35,000,000	–
Total		400,697,523	375,616,085

6.1 Investment in TREC

This represents the Group's share of investment in TREC, a company incorporated in the Kingdom of Saudi Arabia, where the Company has significant influence through voting rights. As at 31 December 2022, the Group owns 33.12% (31 December 2021: 33.12%) of the share capital of TREC. The main activities of this associate is to develop a commercial office tower in King Abdullah Financial District, Riyadh, where the Group expects to be headquartered.

The Group has recognized its share of loss for the year ended 31 December 2022, based on the management accounts of the associate.

The movement in carrying value of investment is as follows:

	31 December 2022	31 December 2021
Balance as at 1 January	375,616,085	378,895,293
Share of results	(9,918,562)	(3,279,208)
Balance as at 31 December	365,697,523	375,616,085

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6. INVESTMENT IN ASSOCIATES (CONTINUED)

6.1 Investment in TREC (continued)

The following table summarizes the financial information of the associate as included in the management accounts as at 31 December 2022 and audited financial statements as at 31 December 2021:

	31 December 2022	31 December 2021
Summarized statement of financial position		
Total current assets	32,825,683	86,103,297
Total non-current assets	2,282,712,671	2,233,751,094
Total current liabilities	85,461,524	1,073,045,160
Total non-current liabilities	1,062,846,629	49,595,898
Net assets (100%)*	1,167,230,201	1,197,213,333

* During the year ended 31 December 2020, the Group has increased its share of investment in TREC from 20% to 33.12% and has recorded its increased share of results from there on. The Group's share in net asset value of TREC if calculated directly from TREC outstanding net asset value has to be adjusted for this transaction to arrive at the carrying amount of investment as presented in the consolidated financial statements of the Group.

For the year ended 31 December	2022	2021
Summarized statement of profit or loss and other comprehensive income		
Total revenue	-	-
Net loss	(29,983,133)	(9,900,948)
Total comprehensive loss for the year	(29,983,133)	(9,900,948)

6.2 Investment in RVCM

This represents the Group's share of investment in RVCMC, a company incorporated in the Kingdom of Saudi Arabia on 25 October 2022. RVCMC offers guidance and resourcing to support businesses and industries in the region as they play their part in the global transition to net zero, ensuring that carbon credit purchases go above and beyond meaningful emission reductions in value chains. The RVCMC's capital amounts to SAR 500 Mn (paid up capital SAR 175 Mn), where PIF holds 80% stake and the Company holds 20% stake. RVCMC is headquartered in Riyadh, Kingdom of Saudi Arabia.

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6. INVESTMENT IN ASSOCIATES (CONTINUED)

6.2 Investment in RVCM (continued)

The movement of investment carrying value is as follows:

For the year ended 31 December	2022	2021
Investments made during the year	35,000,000	-

7. RIGHT OF USE ASSETS

	31 December 2022	31 December 2021
Balance as at 1 January	7,120,394	19,856,726
Additions	11,201,872	672,108
Depreciation charge for the year	(13,011,821)	(13,408,440)
Balance as at 31 December	5,310,445	7,120,394

8. INVESTMENTS

Investment securities portfolios are summarized as follows:

	Notes	31 December 2022	31 December 2021
Non-current			
Investments at amortized cost	8.1	55,809,077	55,272,377
		55,809,077	55,272,377
Current			
Investments at amortized cost	8.1	-	101,292,699
Investments at FVTPL	8.2	618,569,219	2,530,440,109
		618,569,219	2,631,732,808

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8. INVESTMENTS (CONTINUED)

8.1 Investments at amortized cost:

This represents investment in Sukuks issued by counterparties operating in the Kingdom of Saudi Arabia having sound credit ratings. The Sukuks carry an average commission rate of 4.3% per annum as of 31 December 2022 (31 December 2021: 2.4% – 2.5%).

The details of these investments are as follow:

	31 December 2022	31 December 2021
Investment in Sukuk – Bank Albilad (Credit rating A3)	55,809,283	55,286,298
Investment in Sukuk – GACA (Credit rating A)	–	101,325,640
Impairment loss on investments at amortized cost (8.1.1)	(206)	(46,862)
Total	55,809,077	156,565,076
Investment at amortized cost – non-current	55,809,077	55,272,377
Investment at amortized cost – current	–	101,292,699
Total	55,809,077	156,565,076

8.1.1 The movement of the expected credit losses on investments held at amortized cost is summarized as follows:

	31 December 2022	31 December 2021
Balance as at 1 January	46,862	43,865
(Reversal)/charge for the year	(46,656)	2,997
Balance as at 31 December	206	46,862

Below is the break-up of investment at amortized cost:

31 December 2022

Description	Maturity date	Face value	Classification
Bank Albilad SAR Denominated Tier 2	15 April 2031	55,000,000	Non-current asset

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8. INVESTMENTS (CONTINUED)

8.1 Investments at amortized cost: (continued)

31 December 2021

Description	Maturity date	Face value	Classification
General Authority of Civil Aviation (GACA)	18 January 2022	100,000,000	Current asset
Bank Albilad SAR Denominated Tier 2	15 April 2031	55,000,000	Non-current asset

8.2 Investments at fair value through profit or loss ("FVTPL")

This represents investments in units of mutual funds which are governed by the regulation issued by the CMA. The cost and fair value of investments held at FVTPL are as follows:

	31 December 2022		31 December 2021	
	Cost	Fair value	Cost	Fair value
Money market funds	594,704,109	610,812,003	2,464,606,786	2,499,724,667
Real estate funds	20,250,000	7,757,216	40,000,000	30,715,442
Total	614,954,109	618,569,219	2,504,606,786	2,530,440,109

9. ACCOUNTS RECEIVABLE

	Notes	31 December 2022	31 December 2021
Accounts receivable:			
– Related parties	30	13,558,085	11,652,168
– Others		76,901,108	74,691,162
Less: allowance for expected credit losses	9.1	(26,110,800)	(25,795,719)
Total		64,348,393	60,547,611

Receivable balances are non-commission bearing and have payment terms ranging from immediate to thirty days.

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9. ACCOUNTS RECEIVABLE (CONTINUED)

9.1 The movement in the allowance for expected credit losses is summarized as follows:

	Notes	31 December 2022	31 December 2021
Balance as at 1 January		25,795,719	26,613,594
Charge/(reversal) for the year	25	315,081	(817,875)
Balance as at 31 December		26,110,800	25,795,719

10. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	Notes	31 December 2022	31 December 2021
Advance against purchase of property	10.1	77,500,000	77,500,000
Prepaid insurance expenses		10,997,526	7,920,038
Accrued operational revenue		6,589,018	9,064,755
Advance to employees		5,020,765	5,404,641
Prepaid maintenance expenses		8,064,317	2,744,593
Other receivables		7,933,818	5,425,592
Total		116,105,444	108,059,619

10.1 This represents an advance paid to SAMA as partial payment for purchasing part of a property in King Abdullah Financial District.

10.2 Other receivable balances are non-commission bearing and have payment terms ranging from immediate to thirty days.

11. CLEARING PARTICIPANT FINANCIAL ASSETS

	Notes	31 December 2022	31 December 2021
Financial assets at amortized cost:			
Deposits with Saudi Central Bank (SAMA)	11.1	3,061,369,467	18,013,567
Investment in SAMA Bills	11.2	999,308,737	–
		4,060,678,204	18,013,567

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11. CLEARING PARTICIPANT FINANCIAL ASSETS (CONTINUED)

11.1 Deposits with Saudi Central Bank (SAMA):

This represents cash collateral received from clearing participants in the form of initial margin, variation margin and default funds for the equity and derivatives markets. Commission is earned on such deposits at the prevailing market rates offered by SAMA. A portion of the commission is recorded as commission income from SAMA deposits in investment income (refer note 26) by the Group and the clearing members' share of the commission earned is added to their collateral accounts. These funds are not available for use in the operations of the Group.

	31 December 2022	31 December 2021
Deposits with SAMA – relating to equities markets	3,030,450,725	–
Deposits with SAMA – relating to derivatives markets	30,918,742	18,013,567
	3,061,369,467	18,013,567

11.2 Investment in SAMA Bills:

	Notes	31 December 2022	31 December 2021
Investment in SAMA Bills	11.2.1	999,308,737	–

11.2.1 These represent investment in SAMA Bills from deposits received from clearing participants in the form of initial margin, variation margin and default funds for the equity and derivatives markets. Commission is earned on such Bills at the prevailing market rates offered by SAMA. A portion of the commission is recorded as commission income from SAMA Bills in investment income (refer note 26) by the Group and the clearing members' share of the commission earned is added to their collateral accounts. These funds are not available for use in the operations of the Group.

As of each reporting date, all deposits with SAMA and SAMA Bills are assessed to have low credit risk as these are placed/ issued by Government sovereign financial institutions and there has been no history of default with any of the Group's deposit and investments in bills. Therefore, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

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12. CASH AND CASH EQUIVALENTS

	Notes	31 December 2022	31 December 2021
Cash at banks – current accounts		49,821,541	76,197,458
Deposit with SAMA	12.1	16,500,000	10,000,000
Time deposits with original maturities equal to or less than three month from the date of acquisition	12.2	2,052,504,555	–
		2,118,826,096	86,197,458

12.1 Commission is earned on deposit with SAMA at the prevailing market rates offered by SAMA.

12.2 These time deposits are placed with financial institutions in the Kingdom of Saudi Arabia with original maturities of less than three months. Commission is also earned on these time deposits as per the prevailing market rates.

13. STATUTORY RESERVE

In accordance with the Company's by-law and Saudi Arabian Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to set aside 10% of its net profit each year as statutory reserve. The shareholder in the extraordinary general assembly held on 17th August 2021 has decided to discontinue setting aside such percentage when said reserve reaches 30% of paid-in capital. The Company has reached the required reserve level. The statutory reserve in the consolidated financial statements is the statutory reserve of the Company. This reserve is currently not available for distribution to the shareholders of the Company.

14. EMPLOYEES' END-OF-SERVICE BENEFITS LIABILITY

The movement in employees' end-of-service benefits is as follows:

	Note	31 December 2022	31 December 2021
Balance as at 1 January		96,876,185	91,024,046
Current service cost		10,064,443	9,691,734
Interest cost	27	2,241,385	1,738,972
Amount recognized in profit or loss		12,305,828	11,430,706
Re-measurement (gain)/loss recognized in other comprehensive income		(22,650,595)	9,885,004
Benefits paid during the year		(6,970,326)	(15,463,571)
Balance as at 31 December		79,561,092	96,876,185

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14. EMPLOYEES' END-OF-SERVICE BENEFITS LIABILITY (CONTINUED)

14.1 Re-measurement (gain)/loss recognized in other comprehensive income for the year is as follows:

	31 December 2022	31 December 2021
Effect of changes in financial assumptions	(24,500,236)	4,894,755
Effect of changes in demographic assumptions	7,817,710	(813,585)
Effect of experience adjustments	(5,968,069)	5,803,834
Re-measurement loss recognized in other comprehensive income	(22,650,595)	9,885,004

14.2 Principal actuarial assumptions

	31 December 2022	31 December 2021
Discount rate used (%)	5.20	2.40
Future growth in salary (%)	5.00	5.00
Turnover (%)	16	19.64
Mortality rate (WHO SA19) (%)	75	75
Demographic assumptions		
Retirement age	60 years	60 years

Discount rate

The discount rate should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds (or, in countries where there is no deep market in such bonds, government bonds) of a currency and term consistent with the currency and estimated term of the post-employment benefit obligations.

Since there is no deep market in Kingdom of Saudi Arabia for government bonds and/or corporate bonds, we have used the yield on US High Quality Market Corporate bonds and US Risk Free Rate and applied a risk premium to arrive at the discount rate.

Salary increases

With regards to the past trend, it is assumed that the salaries would increase at a rate of 5.00% per annum compound in the long range.

Turnover

The Management assumed the "Heavy" age-wise withdrawal rates. It was assumed that out of the employees that will cease to be employed in a year, other than by normal retirement or death, 90% will be on account of resignation and 10% on account of termination by the Group.

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14. EMPLOYEES' END-OF-SERVICE BENEFITS LIABILITY (CONTINUED)

14.3 Maturity profile of the defined benefit liability

	31 December 2022	31 December 2021
Weighted average duration (years)	5.5	7.44

Years	Amount	
	2022	2021
1	9,047,175	10,945,904
2	5,505,656	12,381,424
3	4,206,431	9,357,298
4	5,209,599	10,147,958
5	3,976,442	11,164,260
6-10	107,481,325	54,052,359

14.4 Sensitivity analysis

Reasonably possible changes as to one of the relevant actuarial assumptions, holding other assumptions constant, the amount of defined benefit obligations would have been:

	31 December 2022		31 December 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	72,966,365	87,168,812	90,111,785	104,594,878
Future salary growth (1% movement)	87,504,645	72,563,970	104,397,683	90,137,489
Turnover (10% movement)	79,103,151	80,056,320	95,377,619	98,395,166
Mortality rate (10% movement)	79,562,576	79,559,602	96,828,192	96,924,025

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14. EMPLOYEES' END-OF-SERVICE BENEFITS LIABILITY (CONTINUED)

14.5 Risks associated with defined benefits plan

Longevity risks

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual salary increases are higher than expectation and impacts the liability accordingly.

15. CLEARING PARTICIPANT FINANCIAL LIABILITIES

	Notes	31 December 2022	31 December 2021
Financial liabilities at amortized cost:			
Collateral from clearing members	15.1	4,027,470,603	14,386,707
Members' contribution to clearing house funds	15.2	4,304,970	3,626,642
		4,031,775,573	18,013,349

15.1 The deposits from clearing participants represents amounts received from clearing participants as collateral in lieu of initial margin, variation margin and default funds for the equity and derivatives markets. These deposits are subject to commission, a portion of which is shared and included in the clearing participant financial assets.

15.2 This represents a prefunded default arrangement that is composed of assets contributed by clearing members that may be used by the Group in certain circumstances to cover the losses or liquidity pressure resulting from participant defaults.

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16. LEASE LIABILITY

This represents amount of lease liability as per IFRS 16 for the rented offices of the Group. Following are the classification and maturity analysis of lease liabilities:

2022	As at 1 January	Interest	Addition	Payment	As at 31 December
Lease liabilities (Note 32.6)	982,913	130,602	11,201,873	(12,315,388)	–

2021	As at 1 January	Interest	Addition	Payment	As at 31 December
Lease liabilities (Note 32.6)	13,786,991	956,484	–	(13,760,562)	982,913

17. ACCOUNTS PAYABLE

	Note	31 December 2022	31 December 2021
Trade payables:			
Others		30,880,997	6,701,240
Related parties	30	47,878	84,470
Total		30,928,875	6,785,710

Payables are non-commission bearing and are settled on terms ranging from immediate to sixty days.

18. BALANCE DUE TO CAPITAL MARKET AUTHORITY (CMA)

The Group acts as a collection agent on behalf of CMA where their trading commission share is collected and transferred to them on an agreed mechanism. Such portion is not recognized as Group's revenue.

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19. DEFERRED REVENUE

	31 December 2022	31 December 2021
Balance as at 1 January	3,214,902	3,223,464
Invoiced during the year	209,652,633	169,346,097
Recognized as revenue during the year	(196,145,174)	(169,354,659)
Balance as at 31 December	16,722,361	3,214,902

20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	Notes	31 December 2022	31 December 2021
Accrued employee expenses		115,362,304	100,154,729
Payable for General Organization for Social Insurance		2,079,494	1,979,001
Value added tax (VAT), net		457,531	6,637,535
Board of Directors remuneration payable	30	9,337,500	8,376,167
Accrued supplier expenses:			
– Related party	30	11,836,063	10,296,790
– Others		125,699,083	108,640,852
Total		264,771,975	236,085,074

Other payables and statutory dues are non-commission bearing and are settled on terms ranging from immediate to sixty days.

21. ZAKAT PROVISION

Zakat is charged at the higher of net adjusted income or Zakat base as required by the ZATCA. The key elements of zakat base primarily includes equity components, net income and liabilities reduced by non-current assets as adjusted for zakat purpose.

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21. ZAKAT PROVISION (CONTINUED)

The movements in zakat provision are as follows:

	31 December 2022	31 December 2021
Balance as at 1 January	66,663,698	83,561,274
Provision for Zakat for the year		
– Current period	67,221,868	66,663,698
– Prior year under/(over) provision	468,544	(440,338)
	67,690,412	66,223,360
Zakat paid during the year	(67,132,242)	(83,120,936)
Balance as at 31 December	67,221,868	66,663,698

The Group has already filed and paid its consolidated Zakat return for the year ended 31 December 2021 with ZATCA, however, the 2021 and 2020 Zakat assessment is pending finalization. The Group is yet to file its consolidated Zakat return for the Company and its wholly-owned subsidiaries with ZATCA for year 2022.

	31 December 2022	31 December 2021
Zakat base:		
Share capital	1,200,000,000	1,200,000,000
Statutory reserve	360,000,000	376,963,633
General reserve	–	1,114,180,214
Retained earnings	1,532,440,906	943,478,532
Dividends paid	(360,000,000)	(1,120,000,000)
Liabilities and provisions	118,916,480	105,554,009
Non-current assets	(733,210,468)	(661,020,140)
Zakat base	2,118,146,918	1,959,156,248
Zakat %	2.5777	2.5777
	54,599,126	50,501,171
Adjusted profit	504,909,646	646,513,937
Zakat %	2.5	2.5
	12,622,741	16,162,848
Zakat charge for the year	67,690,412	66,223,360

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22. OPERATING REVENUE

For the year ended 31 December	2022	2021
Revenue recognized over-time		
Post trade services	150,878,440	130,980,297
Data and technology services	100,185,561	93,264,708
Listing services	81,431,485	72,268,151
Membership	4,061,813	3,224,364
Derivatives services	1,340,310	1,218,732
	337,897,609	300,956,252
Services transferred at point-in-time		
Post trade services	411,118,916	450,070,677
Trading services	310,593,521	406,818,320
Listing services	11,737,696	8,211,800
Membership fees	46,800	–
Derivatives services	35,116	23,091
	733,532,049	865,123,888
Revenue from contracts with customers	1,071,429,658	1,166,080,140

The Group acts as a collection agent on behalf of CMA where their trading commission share is collected and transferred to them on an agreed mechanism. Such portion is not recognized as Group's revenue.

All of the Group's revenue is generated within the Kingdom of Saudi Arabia.

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23. OPERATING COSTS

Operating costs include direct expenses incurred by the Group to provide services to its customers and the Saudi financial market. A breakdown of operating costs is as follows:

For the year ended 31 December	Note	2022	2021
Salaries and related benefits		152,498,856	128,876,587
CMA fees	23.1	122,000,000	101,000,000
Technology and network		52,266,516	51,919,710
Depreciation and amortization		46,794,946	41,491,077
Consultancy		6,175,826	1,569,603
Accommodation and utilities		4,251,774	4,714,370
Others		3,737,996	2,215,391
Total		387,725,914	331,786,738

23.1 This represents fees payable to the CMA in relation to services provided to the Group in accordance with the council of CMA resolution No. (17/268/6) dated 18 January 2017 and the CMA Board decision No. (3-2-2020) dated 7 January 2020.

24. GENERAL AND ADMINISTRATIVE EXPENSES

For the year ended 31 December	2022	2021
Salaries and related benefits	154,104,067	139,138,145
Technology and network	14,865,628	17,234,835
Depreciation and amortization	16,384,962	14,568,623
Consultancy	27,961,212	16,364,627
Marketing and public relations	22,827,937	16,551,195
Accommodation and utilities	7,095,481	6,536,733
Board of Directors' remuneration	9,512,309	8,388,667
Others	3,565,961	2,752,526
Total	256,317,557	221,535,351

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25. ALLOWANCE/(REVERSAL) FOR EXPECTED CREDIT LOSSES

For the year ended 31 December	Notes	2022	2021
(Reversal)/allowance on investment at amortized cost	8	(46,656)	2,997
Allowance/(reversal) on accounts receivable	9	315,081	(817,875)
Total		268,425	(814,878)

26. INVESTMENT INCOME

For the year ended 31 December	2022	2021
Commission income on time deposits	21,674,617	–
Realized gain on sale investments, net	17,707,501	8,826,153
Commission income on SAMA Bills, net	13,123,801	–
Unrealized gain on investments, net	8,722,423	22,134,258
Commission income on SAMA deposits, net	5,642,476	13,601
Dividend income	5,513,917	6,103,257
Commission income on investment at amortized cost	2,339,517	3,519,005
Total	74,724,252	40,596,274

27. FINANCE COST

For the year ended 31 December	Notes	2022	2021
Finance cost on employees' end-of-service benefits liabilities	14	2,241,385	1,738,972
Finance expense on lease liabilities	16	130,602	956,484
Total		2,371,987	2,695,456

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28. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is computed by dividing profit attributable to the ordinary shareholders of the Company by the weighted average outstanding number of shares for the year ended 31 December 2022, totaling 120 million shares (31 December 2021: 120 million shares).

For the year ended 31 December	2022	2021
Net profit for the period	424,598,326	587,703,531
Weighted average outstanding number of shares	120,000,000	120,000,000
Earnings per share	3.54	4.90

29. CONTINGENCIES AND COMMITMENTS

Commitments

29.1 Commitments represent the value not yet executed from supply contracts of assets and services to the Group as follows:

	31 December 2022	31 December 2021
Capital expenditure commitments	25,368,036	87,143,300
Operating expenditure commitments	37,654,733	26,022,315
	63,022,769	113,165,615

29.2 On 18 Muharram 1444H corresponding to 16 August 2022, the Group's subsidiary Wamid has entered into a non-binding preliminary agreement with Direct Financial Network Company LLC and its indirect majority shareholder National Technology Group in order to begin the due diligence process and to negotiate the definitive agreements in relation to the potential acquisition of 51% of the issued capital of DFNC from its direct and indirect shareholders.

On 30 Jumada Al-Awwal 1444H corresponding to 24 November 2022, the Group signed a sale and purchase agreement between Group's subsidiary Wamid and National Two Ventures, which currently holds 99% of the share capital of DFNC for the acquisition of 51% of the issued share capital of DFNC. As at 31 December 2022, the acquisition has not been completed.

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29. CONTINGENCIES AND COMMITMENTS (CONTINUED)

29.3 During the year end 31 December 2022, the Company entered into a short-term revolving financing facility agreement of SAR 28 Mn to as part of business continuity and contingency liquidity planning. There has been no drawdown against the facility as of 31 December 2022.

Contingencies

29.4 Letters of guarantee

	31 December 2022	31 December 2021
	1,147,940	1,147,940

29.5 The Group, in its ordinary course of business, is subject to proceedings, lawsuits and other claims. However, these matters are not expected to have any material impact on the Group's financial position or on the results of its operations as reflected in these consolidated financial statements.

30. TRANSACTIONS WITH RELATED PARTIES

During the ordinary course of business, the Company enters into transaction with its related parties. These related parties include:

- (A) Parent as explained in Note 1;
- (B) Other related parties that include entities which have either common directors with the Company's BOD and/or owned by Parent and/or have common directors with the BOD of Parent;
- (C) Associate companies, refer Note 1.2 for details; and
- (D) Key Management that includes the Company's Board of Directors (BOD) and key executives

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30. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

30.1 Following are the total amount of transactions that have been entered into during the year ended 31 December with the related parties:

For the year ended 31 December	Notes	2022	2021
Parent			
Operating revenue from services rendered		1,687,500	–
Other related parties			
Operating revenue from services rendered		295,642,580	313,005,869
Commission income		1,383,952	–
Purchase of services (internet, utilities and others)		14,746,203	9,039,557
(Disposals)/purchase of investments at FVTPL		(336,047,091)	(803,923,117)
Associates			
Tadawul Real Estate Company – Share of results	6	(9,918,562)	(3,279,208)
Investment in RVCN	6	35,000,000	–
Key management personnel compensation			
Salaries and other short-term benefits		23,845,710	20,029,241
Post-employment benefits		2,124,919	3,547,953
Board of Directors' remuneration		9,512,309	8,388,667

Operating revenue from services rendered by the Company to the related parties included services of post trade, trading, listing, data and technology services, derivative and membership. The Company also paid dividends during the year to the shareholder of the Company.

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30. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

30.2 Following are the outstanding balances arising from related party transactions as at 31 December:

	Notes	31 December 2022	31 December 2021
Parent			
Accounts receivable	9	–	–
Other related parties			
Investments held at FVTPL	8.2	13,720,906	345,367,216
Accounts receivable	9	13,558,085	11,652,168
Less: ECL allowance	9.1	(780,298)	(157,684)
Accounts receivable, net		12,777,787	11,494,484
Accrued expenses and other liabilities	17,19,20	18,102,697	10,726,815
Cash and cash equivalents	12	804,234,649	–
Clearing participant financial liabilities	15	866,246,957	–
Associates			
Accounts receivable – Tadawul Real Estate Company	9	538,071	486,715
Key management personnel			
Board of Directors remuneration payable	20	9,337,500	8,376,167

Outstanding balances at year end arise in in normal course of business. These balances are unsecured, commission free and are recoverable/payable on terms ranging from immediate to thirty days.

31. SEGMENT INFORMATION

The Group operates solely in the Kingdom of Saudi Arabia. For management purposes, the Group is organized into business units based on services provided. The reportable segments of the Group are:

Capital markets

The activities of this segment include trading commission for securities and derivatives, admission fees from initial listing and further capital raises, annual fees charged for securities traded on the Group's markets and fees from our secondary market services.

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31. SEGMENT INFORMATION (CONTINUED)

Post trade

The activities of this segment include registration of investment portfolios in the filing and settlement system, register and file its ownership, transfer, settlement, clearing and safekeeping its ownership, registering any restriction of ownership on the file securities, and associate with members of the market and settlement agents to filing and settlement system. Furthermore, linking and managing records of securities issuers, organizing general assemblies for issuers including remote voting service for such assemblies, providing reports, notifications and information in addition to providing any other service relating to its activities according to financial market regulations.

Data and technology services

The activities of this segment are to grow the business of Data and Technology Services which includes offering high-quality real-time trading data, reference data, market indices, financial information to the financial community, financial technology solutions, research & development in the field of engineering & technology and innovative capital market solutions for stakeholders.

Corporate

Corporate manages future corporate development and controls all treasury related functions. All investments are incubated within this category, which also comprises managing strategy for business development, legal, finance, operations, information technology, human resources and customer relations management.

31.1 Financial information relating to operating segments:

31 December 2022	Capital markets	Data and technology services	Post-trade	Corporate	Total
Segment revenue	406,543,274	100,185,561	564,700,823	–	1,071,429,658
Segment costs excluding depreciation and amortization	(174,194,091)	(47,341,732)	(333,000,172)	(26,588,818)	(581,124,813)
Depreciation and amortization	(19,245,048)	(3,299,955)	(32,839,487)	(7,802,593)	(63,187,083)
Investment income	–	–	–	74,724,252	74,724,252
Share of results of associates	–	–	–	(9,918,562)	(9,918,562)
Finance costs	–	–	–	(2,371,987)	(2,371,987)
Other income, net	–	–	–	2,737,273	2,737,273
Profit before Zakat	213,104,135	49,543,874	198,861,164	30,779,565	492,288,738
Zakat provision	–	–	–	(67,690,412)	(67,690,412)
Profit after Zakat	213,104,135	49,543,874	198,861,164	(36,910,847)	424,598,326

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31. SEGMENT INFORMATION (CONTINUED)

31.1 Financial information relating to operating segments: (continued)

31 December 2021	Capital markets	Data and technology services	Post-trade	Corporate	Total
Segment revenue	489,841,483	93,264,708	582,973,949	–	1,166,080,140
Segment cost excluding depreciation and amortization	(145,719,959)	(29,818,269)	(296,500,837)	(22,284,408)	(494,323,473)
Depreciation and amortization	(24,267,966)	(3,584,419)	(26,425,184)	(3,906,169)	(58,183,738)
Investment income	–	–	–	40,596,274	40,596,274
Share of results of associates	–	–	–	(3,279,208)	(3,279,208)
Finance costs	–	–	–	(2,695,456)	(2,695,456)
Other income, net	–	–	–	5,732,352	5,732,352
Segment profit before Zakat	319,853,558	59,862,020	260,047,928	14,163,385	653,926,891
Zakat	–	–	–	(66,223,360)	(66,223,360)
Segment profit after Zakat	319,853,558	59,862,020	260,047,928	(52,059,975)	587,703,531

31.2 Operating revenue by operating segments

31 December 2022	Capital markets	Data and technology services	Post-trade	Total
Revenue recognized at a point-in-time				
Trading services	310,593,521	–	–	310,593,521
Post trade services	–	–	411,118,916	411,118,916
Listing services	11,737,696	–	–	11,737,696
Derivatives market	10,372	–	24,744	35,116
Membership fees	46,800	–	–	46,800
Revenue recognized over-time				
Data and technology services	–	100,185,561	–	100,185,561
Post trade services	–	–	150,878,440	150,878,440
Listing services	81,431,485	–	–	81,431,485
Derivatives market	1,038,409	–	301,901	1,340,310
Membership fees	1,684,991	–	2,376,822	4,061,813
Consolidated revenue	406,543,274	100,185,561	564,700,823	1,071,429,658

31. SEGMENT INFORMATION (CONTINUED)**31.2 Operating revenue by operating segments (continued)**

31 December 2021	Capital markets	Data and technology services	Post-trade	Total
Revenue recognized at a point-in-time				
Trading services	406,818,320	–	–	406,818,320
Post trade services	–	–	450,070,677	450,070,677
Listing services	8,211,800	–	–	8,211,800
Derivatives markets	4,311	–	18,780	23,091
Revenue recognized over-time				
Data and technology services	–	93,264,708	–	93,264,708
Post trade services	–	–	130,980,297	130,980,297
Listing services	72,268,151	–	–	72,268,151
Derivatives markets	934,701	–	284,031	1,218,732
Membership fees	1,604,200	–	1,620,164	3,224,364
Consolidated revenue	489,841,483	93,264,708	582,973,949	1,166,080,140

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group has exposure to the following risks from its activities and use of financial instruments:

- Market risk;
- Credit risk;
- Operational risk; and
- Liquidity risk.

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing these risks. Furthermore, quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for approving the Group's risk management policies. Furthermore, the Risk Management Committee is responsible for overseeing the effective implementation of the risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits & controls, and to monitor risks & adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training, management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**Risk management structure**

A cohesive organizational structure is established within the Group in order to identify, assess, monitor and control risks.

Board of Directors

The apex of risk governance is the centralized oversight of the Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

Senior management

Senior management is responsible for the day to day operations in respect of achieving the strategic goals within the Group's pre-defined risk appetite.

In order to manage the Group's Clearing services activities risks, the Group through one of its subsidiary (Muqassa) has an integrated and comprehensive risk management system and ensures that its risk management framework identifies, measures, monitors and manages the risks that it bears from Clearing Members as well as other key institutions. Group has as a low risk appetite for financial, liquidity, operational, market and credit concentration risk. This appetite helps drive the setting of conservative values when deciding on key measures such as the Default Fund Cover or Investment Duration. These risk management policies, procedures, systems and controls have been developed to adhere to the CMA's Securities Central Counterparties Regulation as well as align to both CPMI-IOSCO's Principles for Financial Market Infrastructures (PFMIs) and international best practices.

The risks faced by the Group and the way these risks are mitigated by management are summarized below:

32.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate, because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Group limits market risk by maintaining a diversified portfolio and by monitoring the developments in financial markets. Market risk reflects price risk, currency risk and commission rate risk.

Price risk

Price risk is the risk that the value of financial instruments will fluctuate due to changes in market prices (other than risk arising from commission rate and foreign currency). The Group believes price risk does not arise for the Group based on the investment portfolio held.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group is subject to fluctuations in foreign exchange rates in the normal course of its business. The Group is not exposed to currency risk and it did not undertake significant transactions in currencies other than Saudi Arabian Riyals.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**32.1 Market risks (continued)****Commission rate risk**

Commission risk is the exposure to multiple risks related to the impact of changes in commission rates in the market on the Group's financial position and cash flows. The Group monitors the fluctuations in commission rates and believes that the impact of the risk is on certain financial instruments held by the Group.

A 1% change in the commission rates, with all other variables held constant, would impact the consolidated statement of profit or loss and other comprehensive income as set out below:

For the year ended 31 December	2022	2021
Effect on profit for the period (+/-)	35,315,677	26,890,673

32.2 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's accounts receivables from customers, cash at banks, time deposits and investment in debt securities.

The below schedule shows the maximum limit for exposure to credit risk of the consolidated statement of financial position elements:

	31 December 2022	31 December 2021
Investments at amortized cost	55,809,077	156,565,076
Advance for purchase of property	77,500,000	77,500,000
Cash and cash equivalents	2,118,826,096	86,197,458
Accounts receivable	64,348,393	60,547,611
Accrued operational revenue	6,589,018	9,064,755
Other receivables	7,933,818	5,425,592
Advance to employees	5,020,765	5,404,641
Total	2,336,027,167	400,705,133

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**32.2 Credit risk (continued)****Cash and cash equivalents**

The Group keeps its surplus funds with banks having sound credit ratings. Currently the surplus funds are kept with banks that have ratings as follows:

Current accounts

Bank name	STANDARD and POOR		Moody's		Fitch	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
SABB	-	-	A1	P-1	BBB+	F2
SNB	A-	A-2	A1u	P-1u	A-	F1

Time deposit

Bank name	STANDARD and POOR		Moody's		Fitch	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
SABB	-	-	A1	P-1	BBB+	F2
SNB	A-	A-2	A1u	P-1u	A-	F1
Alinma Bank	-	-	-	-	BBB+	F2
ANB	BBB+	A-2	A1	P-1	BBB+	F2
SAIB	BBB	A-2	A2	P-1	BBB+	F2

Investments at amortized cost

This represents investments in Sukuks issued by counter parties operating in the Kingdom of Saudi Arabia having sound credit ratings as disclosed in note 8.

Accounts receivable

Accounts receivable are shown net of the allowance for expected credit losses. The Group applies the IFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance. To measure the expected credit losses, account receivables have been grouped based on the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**32.2 Credit risk (continued)****Accrued operational revenue**

Accrued operating revenue represents earned revenue which is yet to be billed to customers. These are short-term in nature and no significant credit risk exists in the balance.

Advance to employees

This represents advances provided to employees on their request. Such advances are deducted from their monthly salaries. Therefore, no significant credit risk exists in the balance.

Advance for purchase of property

The Group is in the process of acquiring the second floor of the data center in the King Abdullah Financial District in Riyadh (the "Data Centre") for the purposes of its operations. The payment is made to SAMA which is the central bank of Kingdom of Saudi Arabia. Hence no significant credit risk exists.

Other receivables

Other receivables represent receivables from low credit risk counterparties and are short-term in nature.

32.3 Concentration of credit risk

The following table provides information about the exposure to credit risk and expected credit losses for receivables as at 31 December 2022:

	Weighted average loss rate %	Gross carrying amount	Loss allowance
0-30 days (not past due)	5.32	38,500,808	2,047,362
30-60 days	16.61	1,571,384	260,961
61-90 days	17.43	773,297	134,770
91-120 days	15.75	238,742	37,593
121-180 days	30.26	507,197	153,457
181-360 days	25.21	1,573,163	396,595
More than 360 days past due	48.80	47,294,602	23,080,062
		90,459,193	26,110,800

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**32.3 Concentration of credit risk (continued)**

The following table provides information about the exposure to credit risk and expected credit losses for receivables as at 31 December 2021:

	Weighted average loss rate %	Gross carrying amount	Loss allowance
0-30 days (not past due)	0.01	34,934,306	4,343
30-60 days	1.07	1,238,314	13,222
61-90 days	1.87	500,119	9,361
91-120 days	3.73	446,877	16,662
121-180 days	15.08	857,750	129,380
181-360 days	51.07	40,145,024	20,500,343
More than 360 days past due	62.31	8,220,940	5,122,408
		86,343,330	25,795,719

32.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology & infrastructure and from external factors other than credit, market & liquidity risks such as those arising from legal & regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The adequacy and effectiveness of the governance of the Group and its subsidiaries, as well as risk management and internal controls, are examined and evaluated through the implementation of periodic internal audit tasks by the internal audit department. All internal audit reports are discussed with the concerned department and all these reports are submitted and presented to the audit committees and senior management of the Group and its subsidiaries.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**32.5 Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The below schedule shows an analysis of financial assets and liabilities based on the contractual maturities:

	31 December 2022				31 December 2021			
	Carrying amount	Less than 12 months	More than 12 months	Total	Carrying amount	Less than 12 months	More than 12 months	Total
Financial assets at fair value:								
Investments	674,378,296	618,569,219	55,809,077	674,378,296	2,687,005,185	2,631,732,808	55,272,377	2,687,005,185
Financial assets at amortized cost:								
Cash and cash equivalents	2,118,826,096	2,118,826,096	–	2,118,826,096	86,197,458	86,197,458	–	86,197,458
Clearing participant financial assets	4,060,678,204	4,060,678,204	–	4,060,678,204	18,013,567	18,013,567	–	18,013,567
Account receivables	64,348,393	64,348,393	–	64,348,393	60,547,611	60,547,611	–	60,547,611
Accrued operational revenue	6,589,018	6,589,018	–	6,589,018	9,064,755	9,064,755	–	9,064,755
Advance to employees	5,020,765	5,020,765	–	5,020,765	5,404,641	5,404,641	–	5,404,641
Advance for purchase of property	77,500,000	77,500,000	–	77,500,000	77,500,000	77,500,000	–	77,500,000
Other receivables	7,933,818	7,933,818	–	7,933,818	5,425,592	5,425,592	–	5,425,592
Total financial assets	7,015,274,590	6,959,465,513	55,809,077	7,015,274,590	2,949,158,809	2,893,886,432	55,272,377	2,949,158,809
Financial liabilities at amortized cost								
Clearing participant financial liabilities	4,031,775,573	4,031,775,573	–	4,031,775,573	18,013,349	18,013,349	–	18,013,349
Lease liability	–	–	–	–	982,913	982,913	–	982,913
Accounts payable	30,928,875	30,928,875	–	30,928,875	6,785,710	6,785,710	–	6,785,710
Balance due to Capital Market Authority	19,375,330	19,375,330	–	19,375,330	22,280,843	22,280,843	–	22,280,843
Accrued expenses and other current liabilities	264,771,975	264,771,975	–	264,771,975	236,085,074	236,085,074	–	236,085,074
Total financial liabilities	4,346,851,753	4,346,851,753	–	4,346,851,753	284,147,889	284,147,889	–	284,147,889
Net financial assets	2,668,422,837	2,612,613,760	55,809,077	2,668,422,837	2,665,010,920	2,609,738,543	55,272,377	2,665,010,920

As at 31 December 2022 and 2021, undiscounted liabilities are repayable within 12 months from the reporting date.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**32.6 Changes in liabilities arising from financing activities**

	As at 1 January	Cash flows			As at 31 December
	2021	Receipts	Payments	Others	2022
Lease liabilities	982,913	–	(12,184,785)	11,201,872	–
	982,913	–	(12,184,785)	11,201,872	–

	As at 1 January	Cash flows			As at 31 December
	2021	Receipts	Payments	Others	2021
Lease liabilities	13,786,991	–	(12,804,078)	–	982,913
	13,786,991	–	(12,804,078)	–	982,913

32.7 Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021. Equity comprises capital, statutory reserve and retained earnings, and is measured at SAR 3,179,689,827 as at 31 December 2021 (2020: SAR 3,092,440,906).

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

When measuring the fair value, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The fair value of all other/remaining financial assets and financial liabilities not mentioned below approximates to their carrying values.

Investments at FVTPL classified as level 2 include units of mutual funds, the fair value of which is determined based on the latest reported net assets value (NAV) as at the date of consolidated statement of financial position.

	Carrying value	31 December 2022			Total fair value
		Fair value			
		Level 1	Level 2	Level 3	
Investments – at FVTPL					
– Money market funds	610,812,003	–	610,812,003	–	610,812,003
– Real estate funds	7,757,216	–	7,757,216	–	7,757,216

	Carrying value	31 December 2021			Total fair value
		Fair value			
		Level 1	Level 2	Level 3	
Investments – at FVTPL					
– Money market funds	2,499,724,667	–	2,499,724,667	–	2,499,724,667
– Real estate funds	30,715,442	–	30,715,442	–	30,715,442

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements as of 31 December 2022 (31 December 2021: Nil).

Notes to the consolidated financial statements

For the year ended 31 December 2022
(Saudi Arabian Riyals)

34. SUBSEQUENT EVENTS

There is no event subsequent to the period which requires disclosure in these consolidated financial statements. There is no event subsequent to the period which required any adjustment in the consolidated financial statements.

35. DIVIDEND

The Board of Directors of the Company in their meeting on 5 March 2022 recommended the General Assembly which approved the distribution of dividends on 12 May 2022 to the shareholders for the fiscal year ended 31 December 2021 with a total amount of SAR 360 million, equivalent to SAR 3 per share representing 30% of the share par value, provided that the dividend eligibility shall be to the Shareholders who own the Company's shares and registered in the Company's register at the Securities Depository Center Company (Edaa) by the end of the second trading day following the date of the Company's General Assembly (the "Eligibility Date"), and the date of the dividend distribution shall be within fifteen days from the Eligibility Date.

During the year ended 31 December 2021, the Board of Directors of the Company in their meeting dated 18 May 2021 recommended the declaration of dividends amounting to SAR 120 million to the PIF which was approved in their fourteenth Ordinary General Assembly held on 2 June 2021 and payment was made.

On 24 June 2021, the Board of Directors of the Company recommended declaration of an additional dividends amounting to SAR 1,000 million to the PIF. In their Fifteenth Extra Ordinary General Assembly held on 28 June 2021, PIF approved the dividends declaration and payment was made.

On 25 February 2023, the Board of Directors of the Company recommended dividends to the shareholders for the fiscal year ended 31 December 2022 with a total amount of SAR 277,130,872, equivalent to SAR 2.31 per share representing 23.1% of the share par value subject to the approval of the shareholders in the General Assembly of the Company.

36. RECLASSIFICATIONS

Certain comparative figures have been reclassified to conform to the current year presentation.

37. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by the Board of Directors on 5 Sha'aban 1444H corresponding to 25 February 2023.

Glossary

Ask price

The price at which a trader is willing to sell a security.

Bid price

The price a trader is willing to pay for a given share.

Bull run

When a market as a whole is on a prolonged period of increasing prices. Central Securities Depository (CSD) A specialist financial institution holding securities either in certificated or uncertificated form, so that ownership can be transferred through a book entry rather than physical transfer of certificates.

Clearing

All activities pertaining to a security being traded from the moment a commitment is made regarding a transaction to the moment it is settled.

Closed-Ended Investment Traded Funds (CEFs)

A Closed-Ended Investment Traded Funds which its units are publicly offered pursuant to the Closed-Ended Investment Traded Funds Instructions and for which an application for listing is submitted to the Exchange or where its units are listed on the Exchange.

Custodian

A Capital Market Institution who is authorised under the Capital Market Institutions Regulations to conduct the securities activity of custody.

Depository and Settlement System

All electronic systems used by the Centre to deposit and settle Securities or any supporting system thereof.

Derivative

A Security traded on the Exchange whose value is based on the value of an underlying asset, such as stocks. The term "derivatives product" is interpreted accordingly.

Exchange Traded Funds (ETF)

A fund made up of a portfolio of shares that reflect the composition of an index. The fund is listed on a recognized exchange and trades like a normal security.

Futures contract

A contractual agreement, to buy or sell a particular a particular commodity or financial instrument at a predetermined price in the future.

Hedge

A derivative instrument to protect an investment from unfavourable changes in value.

Independent custody

Providing custody services if trading services are provided by an execution broker.

Index

A simulated portfolio of securities that represents a market or a portion of that market.

Liquidity

How easily securities can be bought or sold on the market. A security is liquid if there are units available for large transactions to take place without substantial changes in price.

Liquidity risk

The risk that arises from the difficulty in buying or selling a security.

Market maker

means in the Listing Rules, for an exchange traded fund, the Capital Market Institution appointed by the fund manager to act as a market maker in accordance with the Investment Funds Regulations. Means in the Trading and Membership Rules and the Derivatives Exchange Trading and Membership Rules and the Market Making Regulations, an Exchange Member or Derivatives Exchange Member (where applicable) that continuously enters buy and sell orders for the relevant listed security during the market open session for the purpose of providing liquidity for that listed security in accordance with the Market Making Regulations

Par value

The nominal value assigned to a security by the issuer.

Shareholder register

A list of a company's shareholders updated on an ongoing basis. The register includes each person's name, address and the number of shares owned.

Short selling

A transaction in the form specified in paragraph (b) of Article 3 of the Short Selling Regulations and entered into in accordance with the conditions set out in the Short Selling Regulations.

Tadawul All Share Index (TASI)

An index designed to reflect the movement of the equity market on the Saudi Exchange.

Volatility

The price movements of a stock or a market as a whole.

NAME

SAUDI TADAWUL GROUP

REGISTERED LOGO



180 LEGAL FORM

The Saudi Tadawul Group, formally known as the Saudi Stock Exchange (Tadawul), was formed on 19 March 2007 as a joint stock company in accordance with Article 20 of the Capital Market Law.

SUBSIDIARY COMPANIES

Name of Subsidiary	Ownership	Country of operation	Country of establishment
Saudi Exchange (Saudi Exchange Company)	100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Edaa (Securities Depository Center Company)	100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Muqassa (Securities Clearing Center Company)	100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
WAMID (Tadawul Advanced Solutions Company)	100%	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

AUDITORS

Ernst & Young Professional Services (Professional LLC)

HEAD OFFICE/REGISTERED OFFICE

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