

# 2022 ANNUAL REPORT



EXCEPTIONAL CUSTOMER  
JOURNEYS



**King Salman Bin Abdulaziz Al Saud**

Custodian of the Two Holy Mosques



**Prince Muhammad Bin Salman Bin Abdulaziz Al Saud**

Crown Prince and Prime Minister



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## EXCEPTIONAL CUSTOMER JOURNEYS

eXtra is the GCC's premier consumer electronics retailer and a provider of innovative product finance solutions. The Company's omnichannel retail platform provides customers across the region with quality and choice, while its subsidiary Tas'heel leverages fintech tools to offer a wide range of tailored financial services

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# INTRODUCTION

**54**

Stores in 31 Cities

**14** MN

Shoppers in 2022

2022 saw eXtra's revenues exceed the SAR 6 billion mark and deliver its highest bottom line to date at SAR 440 million, which was driven by the Company's continued focus on customer centricity and commitment to operational excellence.





# AT A GLANCE

eXtra is the GCC's premier consumer electronics retailer and a provider of innovative product finance solutions. The Company's omnichannel retail platform provides customers across the region with quality and choice, while its subsidiary Tas'heel leverages fintech tools to offer a wide range of tailored financial services.

After launching its first store in Riyadh in 2003, The United Electronics Company (eXtra) has since grown into the Gulf region's leading big box electronics retailer. Today, eXtra is the region's largest integrated retailer in the consumer electronics segment, operating more than 140,000 sqm of retail space spanning key geographies across Saudi Arabia (KSA), Bahrain, and Oman. By leveraging its leading e-commerce platform, "extra.com", the Company has successfully extended its reach beyond its 54 operational stores. Through a strong and growing online presence, eXtra has served c.14 million customers in 2022, delivering an unparalleled value offering spanning a wide variety of product segments, such as smartphones, white goods, audio-visual devices, small appliances, computers, and gaming consoles, in addition to a wide variety of consumer electronics.

eXtra provides its customers with unmatched warranty programs and after-sales services using its consolidated after-sales platform, Extra Service. eXtra's ability to deliver integrated service packages customized to the customer's needs presents a unique offering that strengthens the Company's regional reach and reinforces the company's position as Saudi Arabia's leading hub for after-sales services in the consumer electronics space. By leveraging the Company's five technical centers, 13 workshops, and over 300 highly skilled professionals, Extra Service provides unparalleled maintenance services, technical support, and extended warranty programs.

As of year-end 2022, eXtra held a strong market position and boasts a market share of c.20% in consumer electronics, reflecting the Company's successful customer-centric

approach and its outstanding product and service offering across its lines of business. In 2022, eXtra's top line exceeded the SAR 6 billion mark and has delivered its highest bottom line since the Company's inception, booking a net income of SAR 440.2 million at year end.



On the consumer finance front, eXtra's subsidiary Tas'heel Finance (United Company for Financial Services) provides a wide range of integrated, digital, and customized financial solutions to a large and growing customer base. Tas'heel boasts a seamless, end-to-end digital journey that leverages fintech tools to deploy innovative solutions for booking and disbursing loans, and it has delighted customers with its swift approval times and broad range of repayment and tenor options. Tas'heel's services are not only limited to purchases made at eXtra's stores; customers can also benefit from Tas'heel's financing solutions at various partner businesses, from leading retailers to healthcare providers. By year-end 2022, Tas'heel Finance held a strong portfolio of SAR 1.6 billion, serving more than 200,000 clients since inception. Tas'heel's top line expanded by 38.5% year-on-year (y-o-y) to record SAR 416.9 million at year-end 2022, and delivered SAR 193.6 million in net income, contributing 44% to eXtra's consolidated net income in FY2022.

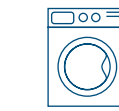
## Our Vision

To be the region's leading retailer of consumer electronics and appliances by providing superior services and creating value for all customers.

## Our Mission

eXtra enhances customers' quality of life by providing innovative and high-quality products, services, and solutions that meet or exceed their expectations. We seek mutual rewards through collaborative relationships and operational excellence.

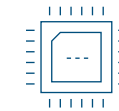
## Product Categories



White Goods



Computing



Electronics



Audio-Visual



Mobiles



Small Appliances



Gaming

## Key Facts

**20**

Years of operation

**54**

Stores in 31 cities

**6,500+**

Stock keeping units (SKUs)

**3**

Countries including KSA, Bahrain, and Oman

**14** MN

Shoppers in 2022

**+3,000**

Highly trained and dedicated employees

**440.2** MN SAR

In net profit for 2022, up 10.9% y-o-y

**440** MN SAR

Outstanding product loan portfolio

**1,190** MN SAR

Outstanding personal loan portfolio



# CHAIRMAN'S NOTE

## Dear Shareholders,

It gives me great pleasure to report eXtra's strong performance for 2022. Our performance for the year continues to be driven by the trust our customers have had in our product and service offering for the past two decades. Despite the headwinds the business faced due to various macroeconomic challenges resulting in pressures that were felt across the globe, as well as rising interest rates and growing inflationary pressures, we delivered impressive results, and for the first time in our history, we exceeded SAR 6 billion in annual revenues. Our performance for the year does not only showcase the strength of our operations but is a testament to our management's ability to pivot strategically, navigate headwinds, and position eXtra to achieve success amid global economic challenges.

The Kingdom's economy has witnessed a solid recovery since the onset of the COVID-19 pandemic, and its strong performance over the course of the year has successfully positioned it as one of the fastest growing major economies in 2022. On this front, the Kingdom is forecasted to deliver a GDP increase of 7.6% in 2022, its fastest growth in nearly a decade. Over the course of the year, the Kingdom has continued to benefit from its oil economy, which has grown by 19%, and has also benefitted from the 5.8% growth witnessed in KSA's non-oil economy as the Kingdom continues its push to further economic diversification and ensure the sustainability of its long-term growth. The Kingdom's economic prosperity in 2022 would not have been possible without its continuous efforts toward development and growth, which are guided by the government of the Custodian of the Two Holy Mosques and the successful reforms aimed toward achieving the Kingdom's ambitious Vision 2030.

Across eXtra's operations, customer centricity continued to be a focal point for us in 2022. We have successfully built a brand and business that customers can trust to provide a best-in-class product and service offering and address their ever-changing needs, and our results for the year reflect this. eXtra delivered a revenue increase of 3.4% to SAR 6.0 billion in FY2022. I would like to highlight that these results are especially significant considering that overall spending on the consumer electronics sector in the Kingdom declined around 8% in 2022. This was the first year that consumers in KSA have had no restrictions on travel since the onset of the COVID-19 pandemic; consequently, consumer spending habits shifted more toward other sectors in the Kingdom as opposed to the retail space. However, despite this decline in demand, we were able to deliver growth

in a market that has seen a contraction, signaling an increase in eXtra's market share, which stood at c.20% at the end of 2022 compared to 19.1% in 2021. This success was not by chance but was a direct result of the execution of various key decisions by our management team during the year, most important of which was shifting the date of our annual Mega Sale.

In anticipation of rising inflationary pressures, and Saudi consumer spending being more directed toward entertainment and tourism, including spending on key events happening in the final quarter of 2022, our management team decided to launch our annual Mega Sale in Q2, as opposed to its usual Q4 date. I am pleased to report that our Mega Sales' results were stellar. Its performance outpaced that of the one held in October in 2021 and significantly supported our retail performance and eXtra's overall results in 2022, enabling us to remain ahead of the pack and maximize the value generated from our wide customer base. The Mega Sales' performance is testament to our deep understanding of the markets we operate in and our customer base, as well as their exceptional ability in navigating challenging market conditions that enable eXtra to emerge on stronger footing.

On the profitability front, I am proud to say that eXtra successfully delivered the highest net profit in the Company's history, booking a bottom line of SAR 440.2 million, reflecting an increase of 10.9% y-o-y in FY2022. eXtra's profitability for the period was greatly supported by its consumer finance company, Tas'heel, which generated 43% of eXtra's net income in FY2022. Tas'heel has played a key role in eXtra's performance since the Company began its consumer finance operations in 2016. Over the years, not only has Tas'heel become the fastest growing fintech company in the Kingdom, boasting a wallet size of SAR 1.6 billion, but has also become the first fintech company in KSA to record a profit.

In our efforts to create sustainable operations and further align with global sustainability agendas and strategies that create meaningful impact across the communities that businesses serve, I am happy to report that we have introduced a dedicated environmental, social, and governance (ESG) section in eXtra's annual report this year. eXtra has historically championed sustainable and ethical business practices, and the addition of a dedicated ESG section aims to present to our stakeholders how we are laying the groundwork for ESG strategies and how they are part and parcel of the Company's day-to-day business

operations and long-term growth outlook. The Company has already acted across key dimensions of sustainability through its ESG frameworks and initiatives, and we are aiming to increasingly strengthen them by further reporting on and measuring their performance based on international best standards and practices, which will support us in achieving eXtra's long-term sustainability targets.

On the expansionary front, we are constantly on the lookout for new opportunities that will allow us to grow our operational footprint and generate significant value for eXtra's business. In this regard, I am optimistic about the long-term value that we will unlock from our upcoming launch of eXtra's business in Egypt in 2023. We are looking to enter the Egyptian market with the full breadth of eXtra's offering and establish our one-stop shop model, from physical and digital retail to product financing and after-sales services. Egypt boasts the second largest consumer market in the MENA region with a population exceeding 100 million people, and we are confident that we will be able to reap the rewards of our tried-and-tested business model in the long-term as we grow our footprint in the Egyptian market and unlock additional value for the Company.

Looking ahead, I am confident that our management team will be able to support the business in maintaining its positive growth trajectory in the medium and longer term. Despite expectations of inflationary pressures and higher interest rates pressuring purchasing power and disposable income in the short term, we are positive that we will be able to continue benefitting from the Kingdom's fundamentally strong

economy and attractive demographic profile to maintain the sustainability and value generated from eXtra's business in the medium and longer term. Our focus going into the new year will continue to be our customers, who lie at the heart of our success story as a business. We will be regularly looking for new ways to elevate their shopping experiences in order to further cement eXtra's position as the retailer of choice for all consumers across the markets where we operate.

Finally, I would like to extend the Board of Director's sincerest gratitude and thanks to our shareholders, who continue to believe in our mission and desired trajectory, and to our management and our employees, who have time and again allowed us to deliver on our goals and accelerated our growth. We firmly believe that our people, across all levels of seniority, have made a tremendous impact that allowed our business to succeed in 2022, and we are confident that they will be able to carry this forward into the new year and take eXtra to even greater heights.

**Abduljabbar Mohamed Abduljabbar**  
Chairman of the Board



**Abduljabbar Mohamed Abduljabbar**  
Chairman of the Board



## 2022 HIGHLIGHTS

2022 saw eXtra's revenues exceed the SAR 6 billion mark and deliver its highest bottom line to date at SAR 440 million, which was driven by the Company's continued focus on customer centricity and commitment to operational excellence. The Company's consumer financing subsidiary, Tas'heel, has maintained its strong growth trajectory and booked solid results that have supported the sustainability and profitability of eXtra's business.



### Rapid and Consistent Growth in Profitability

<b>Revenues:</b>	SAR 6.03 billion	▲ 3.4% y-o-y
<b>Gross Profit:</b>	SAR 1.3 billion	▲ 6.8% y-o-y
<b>Net Profit:</b>	SAR 440.2 million	▲ 10.9% y-o-y

### Strong and Liquid Balance Sheet

<b>Total Assets:</b>	SAR 3.9 billion	▲ 8.8% y-o-y
<b>Cash and Cash Equivalents:</b>	SAR 146.6 million	▼ 15.3% y-o-y
<b>Equity:</b>	SAR 1.1 billion	▲ 14.7% y-o-y
<b>Debt to Equity:</b>	1.1x	

### A Pioneering Digital Retailer

<b>Digital Revenue Contribution</b>	19.1%
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### Saudi Arabia's Fastest-Growing Consumer Finance Company

<b>Tas'heel Loan Portfolio:</b>	SAR 1.60 billion (2021: SAR 1.22 billion)
<b>Tas'heel Net Profit:</b>	SAR 193.6 million (2021: SAR 128.7 million)
<b>Tas'heel Active Customer Base:</b>	+125,000

# BUSINESS OVERVIEW





# OUR MARKETS

## Saudi Arabia

As a member of the G20, KSA boasts the largest economy in the Middle East and North Africa (MENA) and the Gulf Cooperation Council (GCC) regions and has successfully positioned itself as one of the top 20 largest economies globally. Boasting a GDP of an estimated value of USD 1.0 trillion in 2022, the Kingdom is classified as a high-income country and enjoys a highly developed consumer market. The Kingdom also enjoys favorable demographics, with two-thirds of its population comprised of Saudi citizens, of which 50% fall below 25 years of age.

In its efforts to diversify its economy, reduce its reliance on oil revenue, and ensure the sustainability of its growth and the continued prosperity of the Kingdom, KSA launched its Saudi Vision 2030 back in 2016. This ambitious vision focuses on boosting non-oil revenues, as well as further enhancing and generating value from key sectors, including health, education, infrastructure, entertainment, and tourism. Key goals include promoting domestic and foreign investment across the Kingdom, increase the share of non-oil exports, and fostering a vibrant cultural and entertainment sector. The Kingdom's efforts across various sectors have facilitated the development of alternative sources of government revenue, including taxes, fees, and income from the Public Investment Fund, the world's largest sovereign wealth fund. Economic reforms have also decreased reliance on the public sector for employment and drastically boosted female labor participation, while expanding the portion of the economy accounted for by the private sector and providing greater employment opportunities. According to the government's General Authority for Statistics, the Kingdom's unemployment rate fell to 9.9% as of September 2022<sup>1</sup>, the lowest level since 2010.

The Saudi economy has recorded a strong recovery since the COVID-19 pandemic and was one of the fastest-growing major economies in 2022, posting a growth rate of 7.6% according to the International Monetary Fund (IMF)<sup>2</sup>. Rising oil prices as well as the continued growth of non-oil sectors, reflected positively on KSA's economic growth in 2022. On this front, oil prices reached their highest level since 2008 in March 2022. Parallel to this, the Kingdom's non-oil economy expanded by around 4.2%, further aiding in overall economic growth<sup>3</sup>. The loosening of the OPEC output cuts has helped the Kingdom's oil production volume reach over 11.0 million barrels per day (bpd) in mid-2022 after falling to less than 8.0 million bpd during mid-2020<sup>4</sup>.

### Consumer Electronics in Saudi Arabia

Spending on consumer electronics in KSA declined by c.8% in 2022 due to various factors. The first of said factors was the

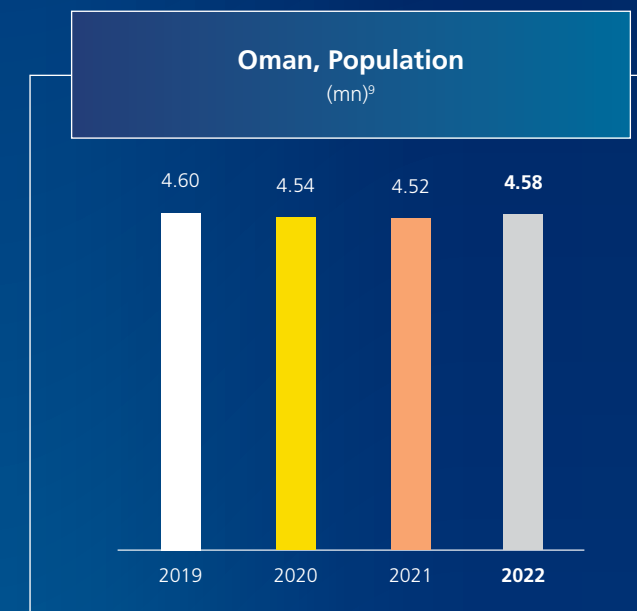
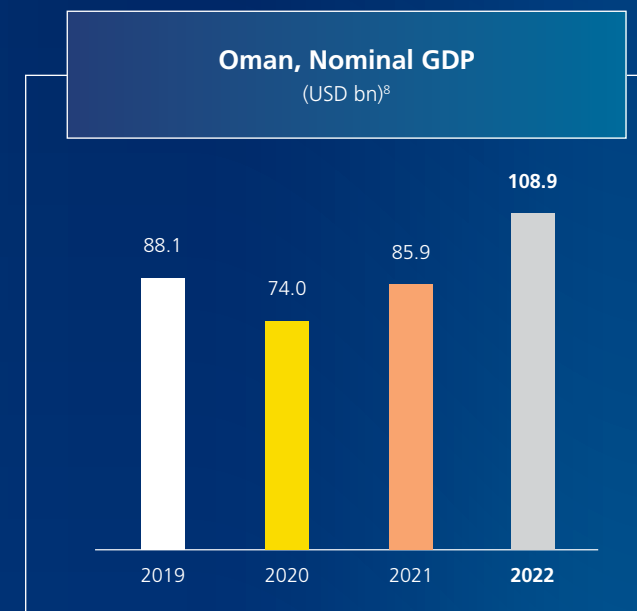
normalization of spending on consumer electronics in the post-COVID era, which, during the 2020–2021 period, was significantly inflated due to forward buying from consumers that anticipated increased social restrictions. Moreover, higher inflation in 2022 across the Kingdom hindered consumer disposable income, coupled with a shortage in key electronics due to supply chain constraints, namely smartphones, which further drove the decline in spending on consumer electronics. Additionally, in anticipation of rising interest rates, consumers opted to pay down mortgages ahead of the hikes, which further hindered consumer disposable income across the Kingdom. Lastly, as all social restrictions related to COVID-19 had been removed across the Kingdom in 2022, consumer spending habits shifted more toward the entertainment sector.

However, the market for consumer electronics in the Kingdom is fundamentally strong, and over the medium- to long-term, is well-positioned to benefit from various factors going forward. The growing trend in Saudi home ownership and mortgage uptake will result in a rise in demand for home appliances and other electronics. KSA's attractive demographics, which boasts a growing population of primarily young individuals and is anticipated to reach c.50 million people by 2030, will further drive demand for consumer electronics in the long term.

## Oman

Oman's economic recovery is set to continue in 2022 following the relaxation of COVID-19 restrictions and due to elevated oil prices witnessed throughout the past year, with the Sultanate's GDP forecasted to grow at a rate of 4.4% for the year<sup>5</sup>. According to the IMF, oil production is expected to stabilize at around 1.13 million bpd throughout the coming years, following the expiry of the OPEC agreement in April 2022. In 2022, the Omani economy continued reaping the rewards of the various fiscal measures adopted throughout 2021 to support the Sultanate's economy following the pandemic, which included interest-free emergency loans, tax and fee reductions and waivers, the flexibility to pay taxes in installments, and a Job Security Fund to support citizens who have lost their jobs. Elevated oil prices and the continued implementation of structural reforms are expected to keep supporting Oman's positive economic outlook.

Since commencing its Omani operations in 2013, eXtra has launched three stores in the Sultanate, with a combined retail space of 8.3 thousand sqm.

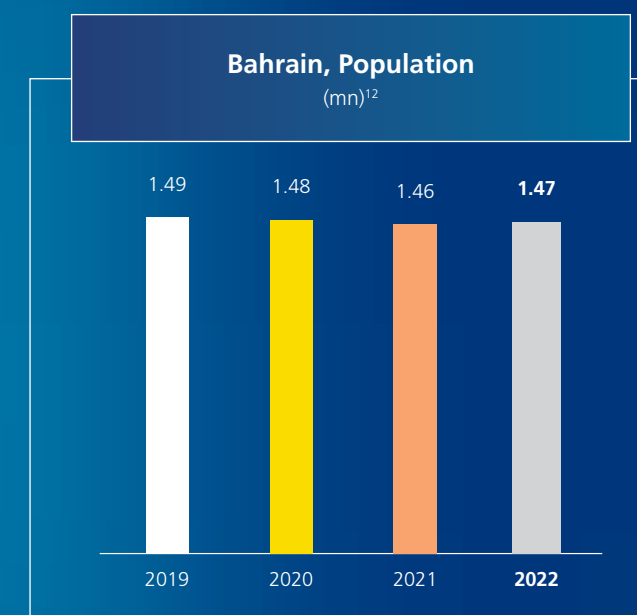
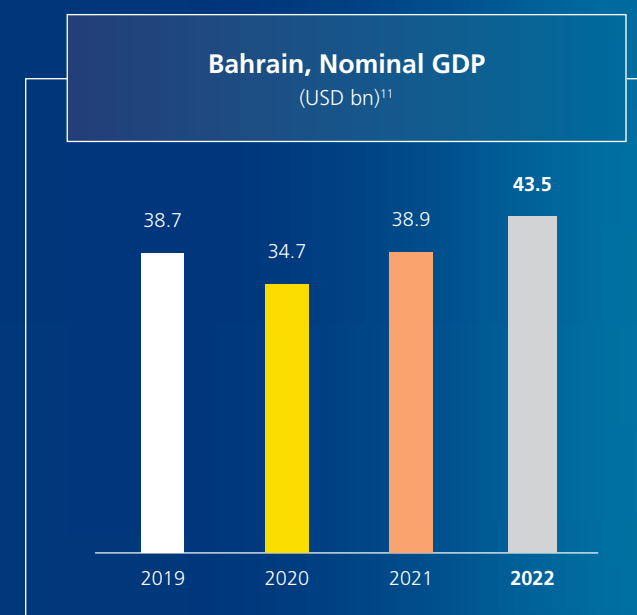


<sup>8</sup>IMF: <https://www.imf.org/en/Countries/OMN#countrydata>  
<sup>9</sup>IMF: <https://www.imf.org/en/News/Articles/2022/11/15/pr22386-oman-imf-executive-board-concludes-2022-article-iv-consultation-with-oman>  
<sup>10</sup>IMF: <https://www.imf.org/en/News/Articles/2022/11/15/pr22386-oman-imf-executive-board-concludes-2022-article-iv-consultation-with-oman>  
<sup>11</sup>UN World Population Prospectus: <https://population.un.org/dataportal/data/indicators/49/locations/512/start/1990/end/2030/line/linetimeplot>

## Bahrain

Bahrain's GDP grew at a rate of 3.4% during 2022, reflecting the economy's post-COVID-19 recovery thanks to its execution of one of the fastest vaccination programs globally. The Bahraini economy's recovery over the course of 2022 was supported by strong results generated from non-oil sectors, including non-hydrocarbon manufacturing, and was further supported by the retail trade and hospitality sectors.

eXtra established its Bahraini business in 2013, the Company's first venture outside its Saudi home market. The Company maintains two stores in Manama with a total space exceeding 4.5 thousand sqm.



<sup>12</sup>IMF: <https://www.imf.org/en/Countries/BHR#countrydata>  
<sup>13</sup>Statista: [https://www.statista.com/statistics/525437/gross-domestic-product-gdp-in-bahrain/#:~:text=Gross%20domestic%20product%20\(GDP\)%20in%20Bahrain%202027&text=The%20gross%20domestic%20product%20in,billion%20U.S.%20dollars%20in%202027.](https://www.statista.com/statistics/525437/gross-domestic-product-gdp-in-bahrain/#:~:text=Gross%20domestic%20product%20(GDP)%20in%20Bahrain%202027&text=The%20gross%20domestic%20product%20in,billion%20U.S.%20dollars%20in%202027.)  
<sup>14</sup>UN World Population Prospectus: <https://population.un.org/dataportal/data/indicators/49/locations/48/start/1990/end/2030/line/linetimeplot>

# OUR NETWORK

City	Number of Branches	City	Number of Branches
Riyadh	9	Al Khobar	2
Jeddah	7	Abha	1
Mecca	3	Khamis Mushait	1
Madinah	2	Kharj	1
Dammam	2	Qanfaza	1
Al Ahsa	2	Al Bahah	1

City	Number of Branches
Bisha	1
Al Qassim	1
Hafar AL Batin	1
Hail	1
Jubail	1
Jazan	1
Najran	1
Sakaka	1
Tabuk	1
Taif	2
Unaizah	1
Yanbu	1
Al Majma'ah	1
Dawadmi	1
Arar	1
Mahayel Aseer	1
Muscat – Oman	2
Sohar – Oman	1
Manama – Bahrain	2



**49**

Branches in 28 Saudi Cities

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**3**

Branches in the Sultanate of Oman

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**2**

Branches in Bahrain





# OUR LINES OF BUSINESS

eXtra continues to enhance its integrated model, which encompasses a set of diverse business lines, through a customer-centric and value-added approach that ensures an unparalleled shopping experience for its customers.



## Retail

eXtra's fast-growing e-commerce platform contributed 19.1% to the Company's total revenues in 2022, marking the highest revenue contribution percentage from online sales for any retailer operating within the Kingdom.

Throughout its multiple years of operation, eXtra has successfully developed into the region's largest omnichannel consumer electronics retail platform, continuously expanding its operational footprint and customer base. Today, eXtra is the region's flagship consumer electronics retailer, providing customers with an extensive range of leading international brands. eXtra's wide on-the-ground presence has seen the Company serve over 14 million customers in 2022 across its extensive network of easily accessible megastores spread throughout KSA, Bahrain, and Oman. Currently, eXtra's retail segment comprises 54 physical stores spread across 31 cities, an e-commerce portal, and a complete set of solutions covering after-sales services programs.

As part of eXtra's strategy of becoming an all-round, one-stop shop for consumer electronics, the Company has recently fully extended its customer-centric value proposition to the digital world. On that front, eXtra's online platform has rapidly developed into a key pillar of the Company's overall success, contributing c.19.1% of eXtra's consolidated sales in 2022. The scale of eXtra's engagement with online customers is in line with the Company's goal of positioning itself as KSA's leading omnichannel consumer electronics retailer.

eXtra places significant value on the long-term relationships it builds and retains with customers. As such, eXtra provides its customers with value-added benefits that extend far beyond the point of purchase. The Company offers an array of after-sales services, ranging from maintenance and technical support to a wide selection of warranties, as well as value-added services and solutions. eXtra's current after-sales services

include eXtra set-up, eXtra repair, eXtra safeguard, and eXtra care, and they are available to customers at eXtra's store branches, as well as to patrons of the Company's e-commerce website, "extra.com", and eXtra's mobile application.

Parallel to this, eXtra continues to set up profitable and mutually beneficial partnerships with other leading online marketplace platforms, such as "noon.com", reinforcing the Company's standing as a key player in the GCC's growing e-commerce market. eXtra has set up a strategic collaboration as an exclusive fulfillment partner with e-commerce platform "noon.com", where eXtra acts as the retailer selling all audio-video systems, small and big appliances, and televisions purchased on "noon.com". Complementing eXtra's collaboration with "noon.com", eXtra maintains direct relationships with the suppliers of the products being sold on the platform, ensuring the availability of these products at eXtra's disposal at any given time. On this front, eXtra deals directly with several of the largest suppliers in the electronics market, such as LG, Samsung, Apple, Dell, HP, and Philips. The Company is also the exclusive dealer for a number of brands, including Prime, Princess, and La Germania.

*eXtra's fast-growing e-commerce platform contributed 19.1% to the Company's total revenues in 2022, marking the highest revenue contribution percentage from online sales for any retailer operating within the Kingdom.*

## The Region's Largest Big Box Retailer

Founded in 2003, eXtra has successfully expanded its network of physical locations to house 54 stores across 31 cities in KSA, Bahrain, and Oman, with the Company's physical outlets serving a total of 14 million customers in 2022. eXtra's current product offerings are split into six primary product segments, which are white goods, audio-video systems, computers, mobile phones and IT communications, electronics, and gaming accessories. eXtra is continuing to further develop its retail operations, driving increased growth and efficiency across all business verticals.

In recent years, eXtra has worked on enhancing its category management processes, setting in place an optimized pricing and promotion strategy for its products and streamlining supply chains for each of its categories with an eye to meeting consumer demand in the best possible way. As such, the Company continues to hold the leading market share across its category products. Despite a challenging global macroeconomic environment, eXtra's process optimization has enabled the Company to increase its sales at a steady pace, further solidifying its leading market position in the consumer electronics space.

eXtra's current retail portfolio comprises more than 6,500 SKUs, covering a wide array of products aimed at consistently serving customers and meeting their ever-growing requirements. eXtra has established strategic partnerships with major international electronics brands, such as Apple, Samsung, LG, Hewlett-Packard, Philips, and more, providing shoppers with a continuous supply of leading technological solutions. Strong direct relationships with the Company's suppliers were key in helping eXtra weather the global supply chain disruptions witnessed across a range of markets during 2022, providing eXtra with the flexibility to plan operations and inventory processes in a manner that pre-empts bottlenecks and other disruptions.

## An Optimized Portfolio

eXtra employs a holistic approach when it comes to carrying out the optimization of its product portfolio, exploring

lucrative market opportunities, enhancing its current product offerings, reinforcing supply chains to guarantee product availability, and effectively managing consumer product demand. The Company continuously works toward creating a differentiated value proposition and improving its customers' shopping experience, with an eye on growing and retaining a loyal and engaged customer base.

## Digital Investments Yield Strong Returns

The expansion of eXtra's retail operations to the digital sphere has revolutionized the Company's selling principles. eXtra's business playground has grown far beyond its physical retail stores through continuous investments in providing customers with seamless, quick, and flexible digital purchasing solutions, all through the Company's easy to use e-commerce website, "extra.com", and mobile application.

Throughout 2022, eXtra continued to consolidate its position as the Kingdom's largest online retailer, with online sales continuing to contribute a significant share of the Company's total sales. Additionally, the Company's online sales contribution to eXtra's consolidated top line is the largest of any national retailer that offers an online store. eXtra's strong online sales performance is a result of the Company's clear customer-centric strategy focused on creating unique and memorable customer journeys. eXtra offers online shoppers an unmatched product review experience for its entire product catalogue, providing videos, 360-degree photos, and customer reviews for each product. Furthermore, eXtra's digital marketplace provides its shoppers with the fastest "click and collect" options, with purchases ready for collection within two hours of being

# 19.1%

Online sales contribution to consolidated revenues, 2022



selected online by customers. The Company’s “click and collect” service drove 25% of eXtra’s online sales during the year. Moreover, as the COVID-19 pandemic has transformed the way businesses operate and accelerated the online conversion of retail sales with customers placing increased emphasis on convenience, eXtra’s online sales remain consistent as a share of total revenues, standing at 19.1% in 2022, marginally lower than the 22.6% contribution recorded for 2021. This decline reflects the high base effect in 2021 due to COVID-19 restrictions, which drove higher online sales traffic as consumers abided by safety precautions.

In addition to its wide array of product offerings, eXtra’s online platform provides its clientele with convenient payment and delivery options. eXtra offers delivery and installation services for large appliances, as well as same-day delivery services for small appliances for customers located in major cities. The Company also provides its customers with an online shopping guide that aids them in determining their exact need before deciding to make a purchase. Above and beyond, eXtra offers its digital customers holistic image and video comparisons of available products, while the Company’s YouTube channel is

constantly updated with a feed of educative content designed to help customers make educated purchasing decisions.

As dependence on online shopping continues to expand, eXtra’s management team is constantly reshaping its supply chain and technological processes, as well as elevating its last-mile capabilities to better adapt to customer expectations and demands. On this front, eXtra is adopting a hybrid model for the optimal management of last-mile delivery functions, generating efficiencies that guarantee maximum convenience and an unmatched customer experience.

To ensure the continued and sustainable expansion of eXtra’s online sales, the Company is constantly exploring avenues for widening and strengthening its online presence. eXtra leverages a variety of innovative partnerships and competitive advantages to regularly expand its market share in the rapidly growing online space and realize overlapping strategic objectives. On this front, eXtra has had a successful partnership with “noon.com” since 2018. Noon is one of the Middle East’s leading online shopping portals, and eXtra has been its exclusive supplier of consumer electronics and home appliances.

**CLASS PRO** After establishing itself as a market leader and building its reputation for quality and exceptional service in the electronics market, eXtra successfully launched its own private electronics label, Class Pro, in 2006, which offers a wide selection of products, including air conditioners, LED TVs, freezers and

refrigerators, small appliances, water dispensers, ovens, and microwaves. eXtra’s Class Pro label and its exclusive brands offer the same ironclad guarantees and after-sales services the Company is famous for, ensuring consumers receive the best value and protection.

### Extra Service

Since 2005, eXtra has provided customers with a comprehensive and integrated range of value-added services under its Extra Service label. Extra Service offers four categories of after-sales services, ranging from installation and warranties to repairs and technical support. Extra Service leverages the Company’s unparalleled infrastructure, including five technical centers, 13 workshops and over 300 highly skilled professionals to provide customers with a smooth and memorable shopping experience. Over the years, Extra Service increasingly became a key differentiator of the Company’s business model and a major source of profitable growth alongside eXtra’s core retail operations.

not typically received the resources and investments needed to set up a services ecosystem in line with the market’s broader purchasing power. Recognizing this, eXtra has been actively working on revolutionizing service provision in the consumer electronics space. eXtra’s management sees the after-sales segment as a means of boosting recurring business and solidifying its place as the Kingdom’s hub for after-sales services in consumer electronics, while expanding the Company’s exposure to further links in the consumer electronics value chain. Extra Service enjoys a secure, long-term base from which to develop its offering, remaining the authorized service provider for all computer manufacturers marketing their products in the Kingdom, in addition to Apple and Samsung-branded products.

As a result of the fragmented nature of KSA’s consumer electronics service market, after-sales services have



eXtra is the exclusive dealer for numerous brands, including Prime, Princess, and La Germania, which offer products across several categories, including small and big appliances. The Company also maintains partnerships with internationally renowned electronics brands, such as HP, Dell, LG, Apple, Samsung, and Philips.





## Consumer Finance



In 2015, eXtra started to diversify its operations by introducing its very own in-house consumer finance arm as part of its efforts to create even greater value for its growing customer base. In 2019, eXtra took this a step further by launching its own consumer finance subsidiary, Tas'heel Finance. As one of the Kingdom's most innovative fintech platforms, Tas'heel provides customers with exceptional and convenient installment programs specifically tailored to their requirements, providing eXtra with a dynamic new source of growth and recurring income that neutralizes the effects of cyclicality in the legacy consumer electronics market while strengthening the Company's overall bottom line.

Since its inauguration in 2019, Tas'heel has successfully served over 200,000 customers across KSA, allowing families and individuals to break down large purchases into more affordable payments through a variety of financial products and services. By leveraging an innovative fintech platform, Tas'heel provides customers with a unique consumer finance offering and leverages its end-to-end digital process to provide the fastest loan booking and disbursement process of any NBFi in the Saudi market. Tas'heel strictly adheres to risk management policies and constantly works on assessing the quality of the finance arm's portfolio and foreseeing future risks. Moreover, Tas'heel focuses on providing Shariah-compliant consumer finance solutions, providing cash loans to various customer segments, and extending distinctive product loans supported by long-lasting partnerships with retailers operating across a

range of market sectors.

Tas'heel's operations cover every region of the Kingdom across eXtra's physical and digital footprint, and its financial solutions are distinguished by minimal requirements and instant approvals, which are made possible through efficient digital processes. By being connected to 10 different external platforms, and allowing users to digitally fill out applications and sign them, Tas'heel is able to facilitate swift and convenient loan processing times and deliver on its goal of making consumer finance simpler and more accessible to both Saudi nationals and resident expatriates. Moreover, in its efforts to further differentiate itself from its competition, Tas'heel utilizes a highly advanced risk management infrastructure to provide non-collateralized credit programs while managing delinquencies and non-performing assets in a highly efficient and competitive manner. In 2022, Tas'heel started extending credit cards to customers as part of its product and service offering. Tas'heel's introduction of credit cards reflects its commitment to growing its offering and providing a comprehensive set of financial solutions that best serve the ever-growing needs of its customers.

Moreover, Tas'heel's innovative and digitally driven offering was recognized when it received two fintech awards. Tas'heel was named the "Most Innovative Fintech Company in Saudi Arabia" for 2022 by International Business Magazine and the "Best Digital Consumer Finance Platform in Saudi Arabia" for 2022 by Global Business Outlook.

### Vision

To enable our clients to enrich their lives and achieve their ambitions by providing effortless financial services through innovative digital solutions.

### Mission

To be a dynamic organization that provides a unique digital experience to enable our clients to meet their financial needs by integrating quality of service, investment in digital transformation, and a focus on consumer needs and goals in a rapid and efficient manner.

## Installment Programs

Tas'heel Finance presents an unrivaled range of installment programs, offering easily accessible Shariah-compliant installment finance (Murabaha), with eXtra sales providing the main pillar of Tas'heel's product loan offering. Tas'heel also extends a range of installment services in partnership with a solid and expanding base of retail partners.

Tas'heel Finance requires no guarantor to disburse product loans, granting instant approval for immediate financing to eligible customers purchasing goods and services from one of Tas'heel's many retail partners. Installment plans are provided for product purchases ranging from SAR 4,000 up to SAR 60,000. Customers can choose from a selection of tenors, ranging from 12, 18, 24, 30, to 36 months. As of year-end 2022, Tas'heel maintained partnerships with numerous retailers across a variety of sectors and held an outstanding product loan portfolio of SAR 404 million.

## Personal Finance

Tas'heel Finance provides its customers with Shariah-compliant personal finance solutions (Tawarruq) by offering a multitude of repayment options and loan tenors that are tailor-made for customers' specific financial requirements and preferences. Tas'heel Finance requires no guarantor to disburse personal loans, granting instant approval for immediate financing and charging a fixed profit margin in lieu of interest rates in conformance to Shariah statutes. Personal finance loans are provided starting from SAR 15,000 and up to SAR 250,000, with tenor options including 36, 48, or 60 months. As of year-end 2022, Tas'heel held an outstanding personal loan portfolio of SAR 1,200 million.



# OUR STRATEGY

By leveraging its deep understanding of the physical and digital retail spaces, as well as its access to cutting-edge end-to-end digital solutions through Tas'heel, eXtra is able to continuously elevate the overall customer experience across key points in the retail value chain.

## Retail

eXtra's primary strategic objective in the retail space is to enhance its competitive edge and grow its market share. The Company is looking to increase its market share to c.25% in the medium term across analog and digital channels. On this front, the company leverages a multi-pronged approach to drive sustainable revenue growth, including utilizing targeted physical expansions, enhanced like-for-like performance, growing penetration of the digital sphere, and the continuous development of value-added service offerings. This approach does not only allow the Company to continuously enhance its overall retail offering but also enables eXtra to maximize the value generated from its customers and stakeholders.

## Driving Growth

### Physical Expansion

eXtra's growing network of showrooms within and outside the borders of the Kingdom continues to act as the main avenue through which the Company interacts with and caters to its customers. As of 2022, eXtra boasts a showroom footprint of 54 existing stores across KSA, Bahrain, and Oman. The Company is always on the lookout for new lucrative locations and untapped urban districts where eXtra does not already enjoy a physical presence to further enhance its competitive edge, geographical footprint, and market share. On this front, the Company is looking to penetrate the Egyptian market in 2023 and provide the full breadth of eXtra's offering, from showrooms to financing solutions and after-sales services. Egypt is home to the second largest consumer market in the MENA region, with a growing population of over 100 million people. eXtra's venture in Egypt will mark the Company's third expansion outside the borders of the Kingdom.

### eXtra.com

In an ever-growing digital world, online shopping, especially after the impact of the COVID-19 pandemic on peoples' day-to-day lives, has become the preferred method of retail purchases for hundreds of millions of consumers around the globe. eXtra has been cognizant of this clear shift in global consumer behavior and has made various efforts in further enhancing its dedicated e-commerce platform, "extra.com", which the Company introduced back in 2011. eXtra was the first Saudi Arabian retailer to introduce a dedicated e-commerce platform and now boasts a strong physical network of stores that is complemented by an adjacent digital presence, further cementing eXtra as one of the leading omnichannel retailers in the Kingdom. "extra.com" extends a comprehensive range of products and services to ensure that the Company is able to cater to all of its customer's needs, including offering the full range of eXtra's products and seamless digital payment and delivery solutions. The Company not only offers its customers same-day shipping options but also provides the fastest click and collect service in the Kingdom, with purchases available for pickup at the nearest eXtra store within two hours from the customer submitting their order.

eXtra's digital strategy is focused on enhancing its dedicated e-commerce portal to ensure exceptional customer journeys at both its physical stores and online platform and further drive the Company's top-line growth going forward. eXtra continuously invests in its platform with the purpose of enhancing its customers' digital experience, with competitive pricing, ultimate convenience, and fast delivery forming the core of eXtra's digital strategy. The Company's long-term focus on delivering the finest digital customer journey has facilitated rapid yearly top-line growth and enabled eXtra to effectively handle the massive increase in online demand.

## Strategic Partnerships

eXtra has formed a strategic online partnership with one of the Middle East's most successful online marketplaces, e-commerce platform "noon.com." Since 2018, the Company has been noon's exclusive supplier of consumer electronics and home appliances in what has proven to be a highly successful partnership. Looking ahead, eXtra is looking to replicate its successful partnership with "noon.com" and establish other strategic alliances that will support the Company in further growing its presence across physical stores and the e-commerce space, aiming to increasingly expand its customer reach and capture a larger share of the market.

## Enhancing Profitability

### eXtra Services

By offering various services and solutions to its customers, eXtra is able to diversify its portfolio offering and increasingly enhance the Company's bottom-line profitability. On this front, the Company has leveraged over a decade of experience in service provision to transform the after-sales component of the consumer electronics space. Owing to the fragmented nature of the services market in KSA, after-sales services have generally received a sub-par level of resources and investment, which has hindered their ability to establish an ecosystem that is in line with

the market's broader purchasing power. Extra Service, the Company's service arm, provides a degree of flexibility that is unmatched in the market, driving incremental increases in profitability. Backed by a +300-FTE-increase in dedicated headcount and leveraging the Company's five technical centers and 13 workshops, Extra Service represents a core component of eXtra's efforts to safeguard and augment the Company's margins and solidify its position as the Saudi consumer's preferred provider of after-sales services.

## Direct Supply

eXtra holds direct partnerships with internationally recognized brands, such as Apple, Samsung, and Huawei in the smartphone category; HP, Dell, Acer, and Lenovo in the personal computer category; and LG and Philips in the appliances category. Alongside its partnerships with globally renowned companies, eXtra is the exclusive dealer for various brands offering products across a number of categories, including small and big appliances. eXtra has also introduced its own private electronics label, Class Pro, which offers a wide array of products that include air conditioners, LED TVs, freezers and refrigerators, small appliances, water dispensers, and ovens and microwaves. ClassPro enables eXtra to leverage its margins and expansive reach by attracting entry-level consumers, typically new households, by offering high-quality products at competitive price points.





Direct supply agreements — where eXtra deals directly with c.95% of its international suppliers — allow the Company to quickly bring products to its customers, respond to product performance and customer feedback, and collect valuable data on demand patterns, all of which differentiate the Company from its competitors in the Kingdom's wider consumer electronics market. Such agreements also boost the Company's margins by eliminating intermediaries, providing the ability to quickly bring consumer electronics to final buyers and enabling the consequent strengthening of brand loyalty among eXtra's customer base. Direct supply agreements also allow the Company to focus on profitably streamlining operations by minimizing the number of suppliers.

### Consumer Finance



The non-banking financial services sector across KSA witnessed accelerated growth, expanding nearly four-fold in value terms between 2020 and 2022 to SAR 19 billion, and it is expected to witness greater demand over the coming periods. In line with its focus on customer experience, eXtra introduced its consumer finance subsidiary Tas'heel in 2019, which further strengthened the in-house consumer financing program that eXtra began in 2016. Tas'heel provides Shariah-complaint personal finance, credit cards, and product loans to consumers at a wide selection of tenors and repayment structures, while extending a suite of product loan solutions to external retailers and businesses.

Utilizing innovative fintech tools to automate the assessment of credit scores and maintain best-in-class approval times, Tas'heel integrates quality of service, investment in digital transformation, and a focus on consumer needs. By offering the best-in-class customer journey, Tas'heel provides eXtra with a source of recurring income capable of balancing the cyclical nature of the Company's core consumer electronics market, contributing considerably to eXtra's consolidated bottom-line growth and enhancing the sustainability of eXtra's business model.

### Data-Driven Growth

In 2020, Tas'heel became one of the few NBFIs in the Saudi market to establish an end-to-end digital process for booking and disbursing consumer loans. Tas'heel provides a valuable data stream that supports eXtra's analytics capabilities

through its innovative technology, which is used to inform decision-making at both the operational and strategic levels, enabling the Company to further distinguish its offerings and services. In light of this, eXtra is not only well-positioned to remain at the forefront of the consumer electronics markets but also hold a dominant position in the consumer finance space for the non-banking sector.

### Accessibility

Tas'heel leverages innovative fintech tools to minimize the use of guarantors, automate the assessment of credit scores, and maintain best-in-class approval times, enabling the subsidiary to achieve its main objective of increasing the accessibility of financial solutions. Tas'heel's growth strategy is centered around building a loyal customer base capable of driving recurring business, developing methods for shortening approval times, and providing a seamless and memorable customer journey. The subsidiary is looking to expand its presence in metropolitan areas with promising demographic and demand profiles while covering the wide geographical range served by eXtra's existing store network. Additionally, Tas'heel's digital application, which includes a wallet dedicated to product loans, will further allow Tas'heel to expand the reach of its consumer financing solutions across the Kingdom.

### Frictionless Finance

Tas'heel provides its customers with one of the market's most frictionless personal finance journeys. The subsidiary requires no guarantors to extend personal loans and offers its full suite of personal finance services to both nationals and resident expatriates. Alongside a unique digital experience, this light touch sets Tas'heel further apart from competitors in KSA's NBFIs space. Combined with instant approval for immediate financing, Tas'heel's fees and charges are among the market's most competitive, and its cash loan products are flexibly designed to appeal to a wide range of consumer segments: loans are provided starting from SAR 15,000 and up to SAR 250,000 with tenor options of 36, 48, or 60 months. Furthermore, Tas'heel provides Shariah-compliant installment finance services for product purchases starting from SAR 4,000 and up to SAR 60,000, with instant approval and no guarantors required. Moreover, Tas'heel launched a credit card product in 2022 to fully complete its consumer financing solutions offering. The credit card will allow Tas'heel to further enhance its ability to achieve greater accuracy for customer credit scoring and rating.

### Strategic Partnerships

Tas'heel's unique and differentiated offering is supported by long-standing partnerships with retailers and other firms operating across a wide array of market sectors. Tas'heel's strategic partners comprise large global brands, such as Virgin Megastores in the area of entertainment, IKEA in home furnishings, and Gold's Gym in fitness, in addition to local healthcare brands that include Saudi German Hospitals and the Saudi Swiss Consultant Center.

Meanwhile, establishing a diverse set of partnerships provides Tas'heel with a wide variety of target demographics, ranging from newly formed households seeking to purchase home furnishings to older consumers with typically higher levels of expenditure on medical care. Looking ahead, Tas'heel will continue to set up an even greater number of strategic partners, expanding the Company's reach to new, promising areas of economic activity, while also working on further deepening its relationships with existing partners.



# 2022 FINANCIAL HIGHLIGHTS

In 2022, eXtra's revenues exceeded the SAR 6 billion mark for the first time in the Company's history. The Company's revenues grew by 3.4% y-o-y to SAR 6.03 billion despite unfavorable market conditions, which saw reduced spending on consumer electronics across the Kingdom due to higher inflation, supply chain constraints affecting the availability of certain products, and a general shift in consumer spending toward the entertainment sector. Moreover, eXtra recorded a gross profit increase of 6.8% y-o-y to SAR 1.27 billion and booked a gross profit margin of 20.9% in 2022 vs 20.3% in the previous year.

The increase in profitability was driven by solid performances from the Company's higher margin after-sales and consumer finance businesses, Extra Service and Tas'heel (United Company for Financial Services) in 2022. This trickled down to eXtra's net income, which booked an increase of 10.9% y-o-y to SAR 440.2 million in 2022, the Company's highest net profit achieved to date, despite an increase in SG&A costs booked during the period. It is noteworthy that Tas'heel recorded a net profit increase of 50.4% y-o-y to SAR 193.6 million in 2022, contributing c.44% of eXtra's consolidated bottom line at year-end.

## Summary Income Statement

	FY2022		FY2021		Growth (%)
	SAR (000)	% of Sales	SAR (000)	% of Sales	
Sales	6,031,066	-	5,833,628	-	3.4%
Gross Profit	1,265,064	20.98%	1,183,038	20.28%	6.9%
Operating Profit	484,147	8.03%	452,826	7.75%	7.1%
Net Profit Before Zakat	472,146	7.83%	427,359	7.33%	10.5%
Net Profit	440,174	7.30%	396,834	6.80%	10.9%

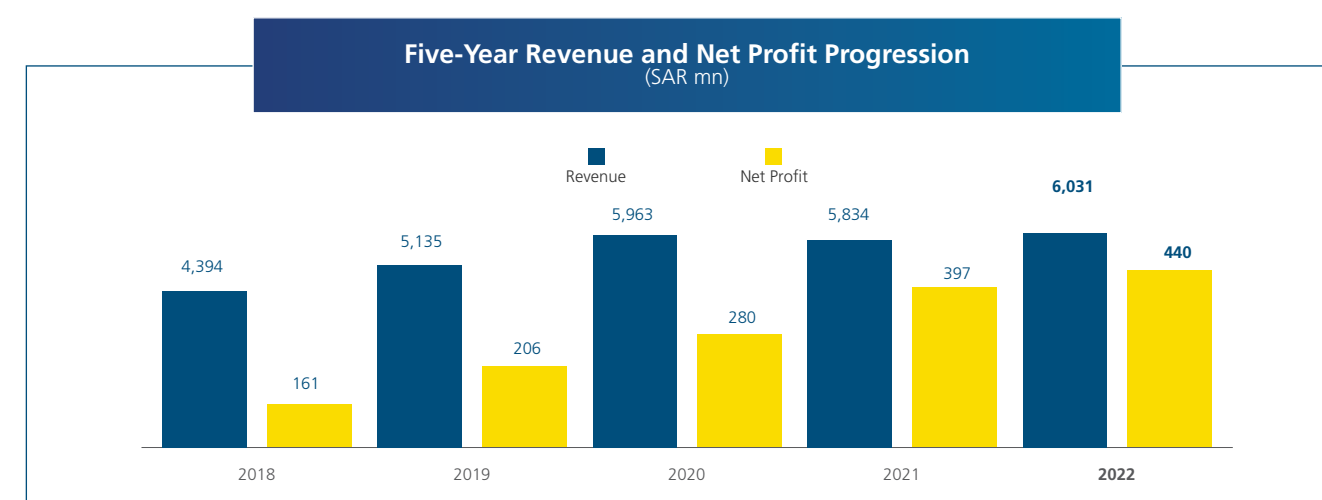
## Geographical Breakdown of Sales

SAR (000)	FY2022	FY2021	Growth (%)
KSA	5,631,717	5,403,715	4.2%
GCC States	423,283	448,922	-5.7%
Adjustments Due to Consolidation	(23,934)	(19,009)	25.9%
<b>Total</b>	<b>6,031,066</b>	<b>5,833,628</b>	<b>3.4%</b>

## Income Statement Analysis

eXtra achieved a five-year revenue CAGR (2018–2022) of 6.54%, reflecting the Company's successful business model and ability to generate steady revenue growth. Moreover,

eXtra's businesses have enabled the Company to deliver on its profitability enhancement strategy, which saw the Group deliver a five-year net profit CAGR of 22.3% in 2022.



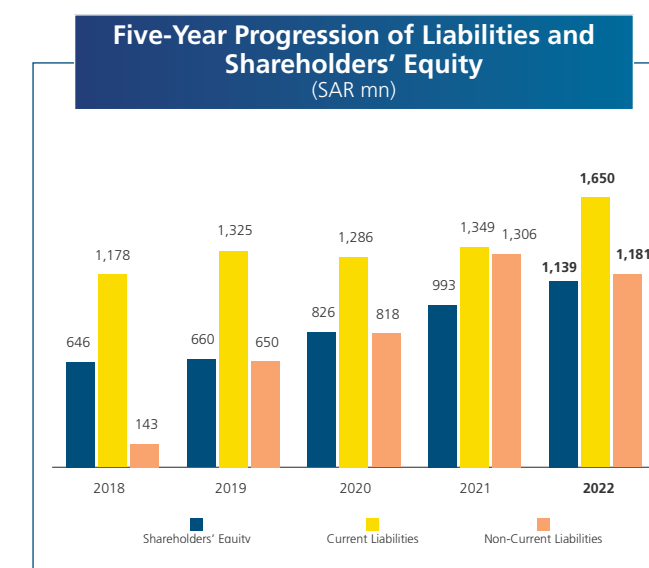
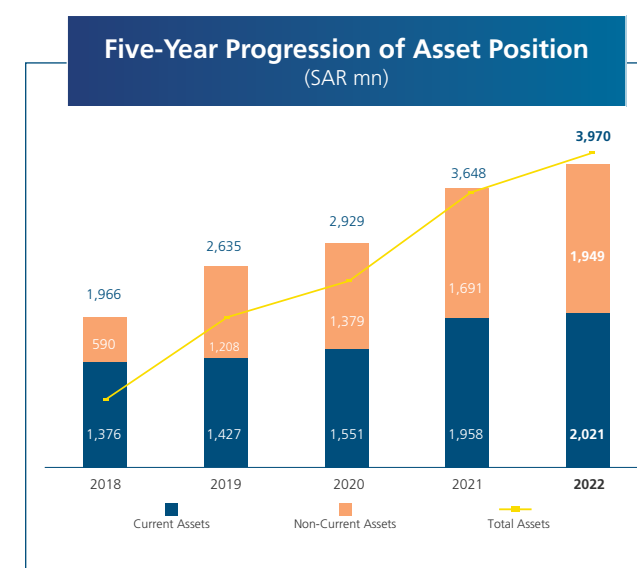
## Balance Sheet Highlights

### Asset Progression

The total value of eXtra's assets booked on its balance sheet increased to SAR 3.9 billion in FY2022 compared to SAR 1.9 billion in FY2018, reflecting a 5-year CAGR of 15.09%.

### Liabilities and Shareholders' Equity Progression

The Company's shareholders' equity recorded a 5-year CAGR of 12.1% to register SAR 1,139 million in FY2022 up from SAR 646 million in FY2018. The Company's current liabilities booked SAR 1.65 billion for FY2022, up from SAR 1.35 billion one year previously.



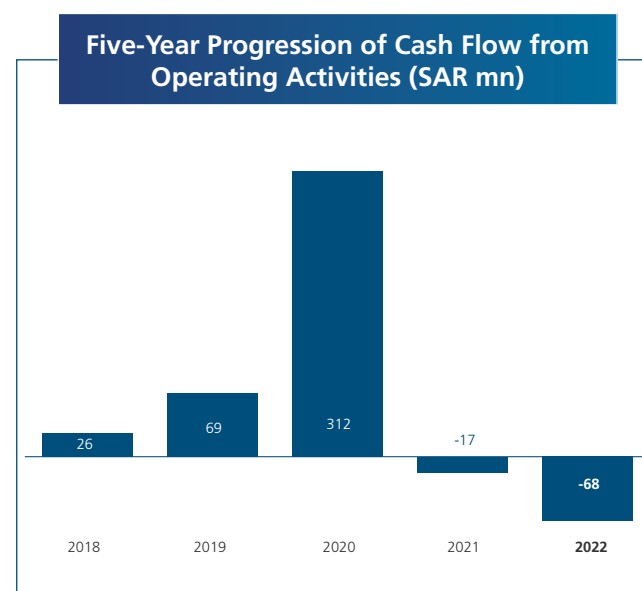


## Cash Flow from Operating Activities

eXtra recorded a net cash outflow from operations of SAR 68 million for FY2022 compared to a net outflow of SAR 17 million recorded the previous year. This progression reflects eXtra's efforts to meet its strategic objectives, its investment in the Company's consumer finance business, and establishing new sources of recurring income across its lines of business.

### Loans and Borrowings

eXtra began FY2022 with an outstanding debt balance of SAR 684.9 million. The Group repaid the due amounts from this opening balance during the year. In FY2022, the Group enjoyed access to short-and medium-term Murabaha facilities extended by its financial partners, including Banque Saudi Fransi, the Arab Banking Corporation, Al Bilad Bank, Al Inma Bank, Emirates NBD, Al Rajhi Bank, and SABB bank. The total value of the short-term Murabaha facilities available to the Group during the period came in at SAR 2.21 billion, extended to support the Company's working capital requirements. Of this amount, SAR 1.72 billion was defrayed by the group during FY2022, with the remaining SAR 1.17 billion yet to come due during the year as at 31 December 2022.



## Bank Facilities

### Opening Balance as at 1/1/2022

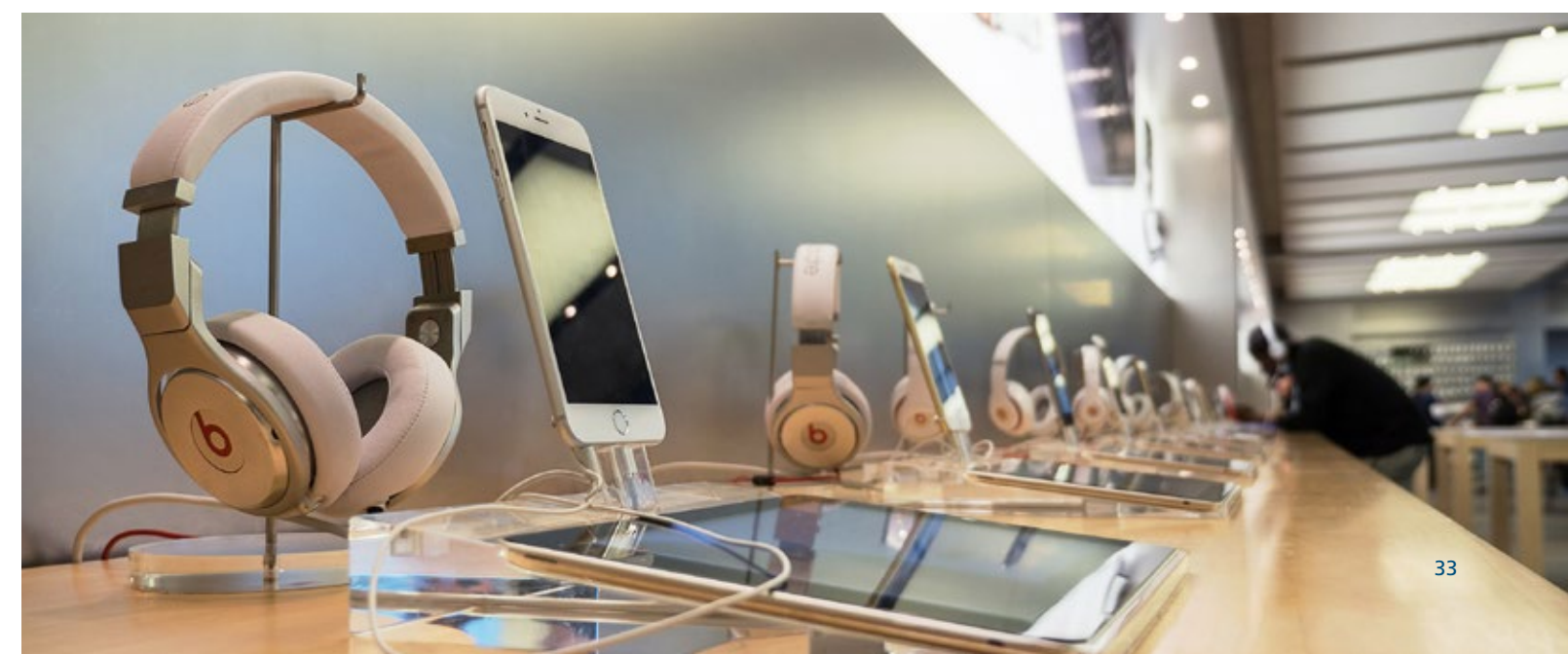
Bank Name	Number of Murabaha Contracts	Loan Amount (000s)	Loan Period	Amount Paid (000s)	Loan Ending Balance (000s)
Riyadh Bank	10	425,000	4-5 years	33,021	391,979
	1	10,000	30 days	0	10,000
SABB	1	50,000	4-5 years	0	50,000
Al Bilad Bank	8	255,000	4-5 years	22,000	233,000
<b>Total</b>	<b>20</b>	<b>740,000</b>		<b>55,021</b>	<b>684,979</b>

### Ending Balance as at 31/12/2022

Bank Name	Number of Murabaha Contracts	Loan Amount (000s)	Loan Period	Amount Paid (000s)	Loan Ending Balance (000s)
ABC Bank	2	100,166	30-90 days		100,166
GIB	4	100,000	30-90 days		100,000
SABB	5	165,000	30-90 days	25,000	140,000
	9	400,000	4-5 years	50,000	350,000
Al Bilad Bank	10	275,000	4-5 years	73,067	201,933
Riyadh Bank	10	450,000	4-5 years	420,000	30,000
BSF	10	250,000	30-90 days	0	250,000
<b>Total</b>	<b>50</b>	<b>1,740,166</b>		<b>568,067</b>	<b>1,172,099</b>

### Zakat and Governmental Payments

SAR (000)	Paid in FY2022	Ending Balance as at 31 Dec 2022	Description	Reasoning
Zakat	8,754	(18,042)	Zakat on income	Annual Zakat Declaration
GOSI	20,939	(1,701)	Social insurance	Social insurance payments due on Saudi and expatriate employees
Tax Authority	3,869	(152)	Withholding tax	For dividends distributed to non-resident shareholders and for foreign/non-resident service providers
VAT	222,027	(43,277)	Value-Added tax	Total VAT payable
<b>Total</b>	<b>255,588</b>	<b>(63,171)</b>		





# RISKS AND MITIGATES

eXtra faces the same risks that all firms operating in the Saudi consumer electronics industry face. These risks may be divided into two main categories: operational risks and market risks.

## Operational Risks

### Laws and Regulations:

eXtra's operations are fully compliant with the laws and regulations of the Kingdom as well as the other markets eXtra operates in. However, the regulatory environment in which eXtra operates is liable to change. Regulatory changes arising from political, economic, technical, and other factors may produce a material impact on the Company's business. To the Company's knowledge, there exist no indications that the regulatory environment will change in a manner that materially affects the Company's business and the expectations of Management moving forward.

### Reliance on Key Suppliers:

In the event that its suppliers are unable to provide requested orders, eXtra's operations and financial performance may be affected materially. In light of this, eXtra maintains strong relationships with a large number of diverse suppliers, while upholding close working relationships with key suppliers. In this manner, Management is kept well-informed and effectively plans its sourcing of products and services.

### The Growth Strategy and Its Execution:

The incomplete implementation of eXtra's strategy for expansion or the postponement of new retail unit launches may impact the Company's performance. eXtra thus works to fully implement all aspects of its business plan and growth strategy, which include the introduction of new showrooms and innovative sales channels. The Company carries out intensive feasibility studies and selects the sites for its prospective showrooms preemptively.

### Saudization Requirements:

In accordance with regulatory changes recently promulgated by the Saudi Ministry of Labor and Social Development, eXtra has been classified as a large employer in the wholesale and retail sector. Companies receiving this classification from

the Ministry receive a low Saudization score if 31% or less of employees are non-Saudi, a high score if 42% of employees or more are Saudi nationals, and a Silver certification if 51% of employees or more are Saudi nationals. eXtra is committed to meeting the national objective of Saudization. As of December 2022, 51% of the Company's employees were Saudi nationals. Recruiting, training, and developing the capabilities of Saudi cadres is one of eXtra's priorities, stemming from its firm commitment to the Ministry of Labor's special directives regarding the full Saudization of the electronics retail sector from November 2018. The Company is currently taking measures to fully comply with the Ministry's requirements.

## Market Risks

### Competitive Landscape:

Despite eXtra's dominant position in KSA's electronics retail market, the Company does face competition from several companies across each of its product categories. eXtra constantly works to meet and exceed the expectations of its customers with quality products and services. To maintain its strong relationship with its customers and retain their business, the Company keeps tightly abreast of changing demand conditions in the market and rigorously analyzes changing preferences and requirements.

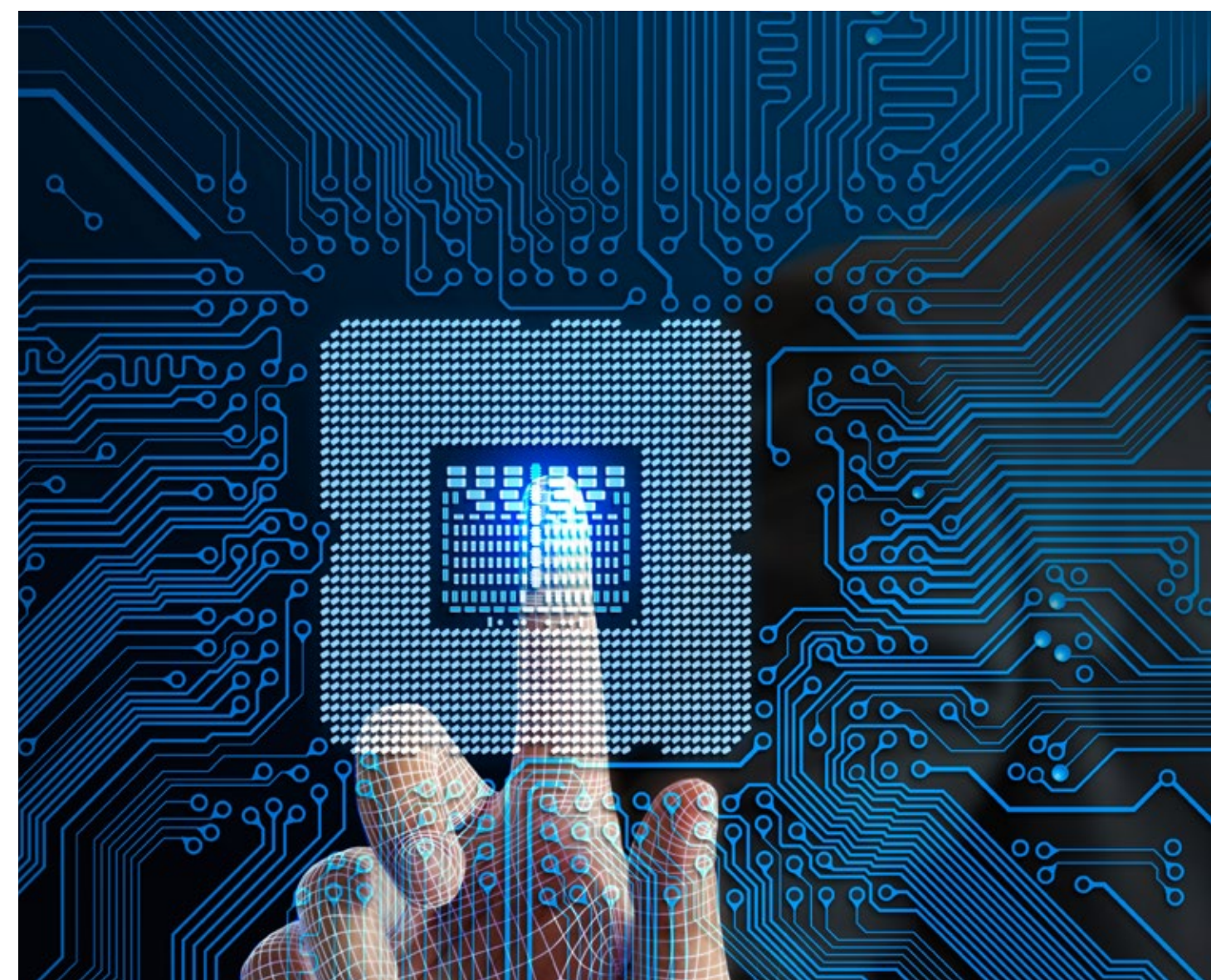
### Price Competition:

The Company's profit levels may be negatively affected in the event of a price war involving it and its competitors. This risk applies to both products and services. Given the Company's significant bargaining power with its suppliers, eXtra enjoys a significant buffer against the effects of a price war on its profit margin. eXtra is further protected by the diversity of the sources and drivers of the Company's profitability.

### Market Credibility:

Given the continuous and rapid growth of eXtra's customer base, in the case that eXtra is unable to fully serve each customer with the same degree of care and dedication, the Company's credibility may be affected in a negative manner. Some customers may choose to submit formal complaints to the Ministry of Commerce and Investment. Accordingly, eXtra has set up two systems for ensuring that customer requirements

are fulfilled comprehensively and satisfactorily. The Guest program and the Customer First Program train and qualify employees to serve customers with the highest professional standards. eXtra also makes use of a special contact center for responding to the inquiries and complaints of customers, whether lodged directly or through the Ministry of Commerce's online tool for lodging and monitoring complaints.





# OUR PEOPLE

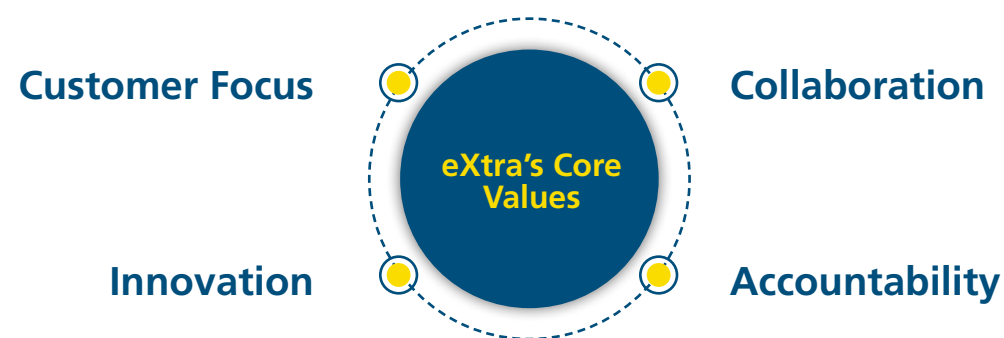
eXtra’s people lie at the heart of the Company’s success and growth story. We are constantly investing in our human capital and increasingly enhancing our human resource policies to ensure that we are regularly cultivating an environment where our people can thrive and deliver on eXtra’s mission and vision.

eXtra’s people are the driving force of the business and enable the Company to provide an exceptional and seamless service and product offering to eXtra’s wide customer base. Their commitment to customer centricity and operational excellence has not only enabled eXtra to provide a memorable, simple, and smooth shopping experience at the Company’s physical stores and online portal but also build a trusted brand name that resonates with eXtra’s stakeholders.

The Company is regularly looking to grow its teams across its expansive operations in order to better meet the ever-changing needs of eXtra’s customers and further enhance the Company’s approach to doing business.

eXtra’s headcount stood at 2,938 employees at year-end 2022. At Tas’heel, eXtra’s consumer finance subsidiary, headcount increased to 354 at year-end 2022.

Moreover, eXtra also places focus on ensuring diversity across its operations and hiring individuals from all walks of life, which allows the Company to promote an inclusive work culture that allows room for new perspectives and innovation in the workplace. In this regard, eXtra enjoys a highly diverse workforce, boasting over 26 different nationalities across the Company’s operations. Additionally, women accounted for 12% of eXtra’s headcount in 2022, and 49% of Tas’heel’s headcount for the same period.



In line with the Kingdom’s Saudi Nationalization Scheme, eXtra is committed to creating employment opportunities for the Kingdom’s youth and playing a key role in building Saudi’s business leaders of tomorrow. On this front, eXtra has successfully retained its Platinum score on the government’s “Nitaqat” Saudization program

in 2022, recording a Saudization rate of 79% across all stores. On a company-wide basis, the Saudization rate stood at 51% in 2022. Tas’heel’s Saudization rate was 85% in 2022, maintaining its Mid-Green classification under the “Nitaqat” program.

## eXtra’s Human Resources Strategy



eXtra’s HR strategy is based on four pillars. Firstly, the Company works on fully aligning its HR practices with its long-term business goals, pursuing the integration of strategic decision-making with efforts to secure human capital. Secondly, eXtra develops and enhances the employee experience through a mixture of physical and digital channels. Thirdly, the Company aims to execute effective investments in improving its employees’ talents and support them in developing new skills. Finally, eXtra regularly introduces best-in-class HR practices to preserve the Company’s competitive market edge and its standing as an employer of choice.

eXtra’s state-of-the-art Career Portal continues to allow the Company to attract the best available talent, while assisting in the continuous enhancement of the eXtra experience for new employees, from the instant a job is requisitioned to the moment a hire begins their journey with the Company. The Career Portal has supported eXtra in accelerating the process for new talent acquisition and has better positioned the Company to acquire high-caliber professionals from various backgrounds. eXtra continues to invest in the enhancement of its Career Portal and the databases that power the platform to ensure that the Company can regularly attract new talent.

In its efforts to constantly maintain a customer-centric culture, eXtra invests heavily in the development of its people to ensure that they are best prepared to address the needs of the Company’s customers and stakeholders in the most effective and efficient manner possible. The Company is committed to offering employees fulfilling and long-lasting careers, and it utilizes a comprehensive set of resources and digital tools when it comes to the development of its human capital. On this front, the Company has implemented 89,000 hours of training across all Company functions.

eXtra maintains an incentive program for employees, disbursing monthly and yearly bonuses based on key performance indicators (KPIs). The Company has set up a system that combines business objectives with division-specific KPIs and, accordingly, rewards divisional employees in an appropriate and encouraging manner. The outstanding balance for the Staff Incentive Regulatory Program stood at SAR 4.8 million as of 31 December 2022. The Company also has an employee stock compensation program that aims to align the interests of eXtra’s employees with those of its shareholders.

# SUSTAINABILITY





# SUSTAINABILITY AT EXTRA

Businesses worldwide are becoming more aware than ever of the importance of adopting sustainability agendas, strategies, and ESG-oriented targets and action plans. In light of this, we believe now is the right time for us at eXtra to formulate and develop our own ESG approach, which will help us further streamline our sustainable business practices and further build on our overarching efforts to positively impact the communities we serve. We are confident that the rapidly changing environment in which we operate will bring forth a plethora of opportunities, and we are prepared to face any challenges that might arise.

## Our Upcoming Strategy Framework

eXtra has long been an advocate of smart, ethical, and responsible operations and has championed sustainable development tenets long before laying the groundwork for tangible ESG strategies. We comply with various ESG criteria, which are now part and parcel of our daily operations. Our new sustainability strategy will integrate these ESG considerations into our decision-making processes and operations, placing sustainability at the core of our daily business activities.

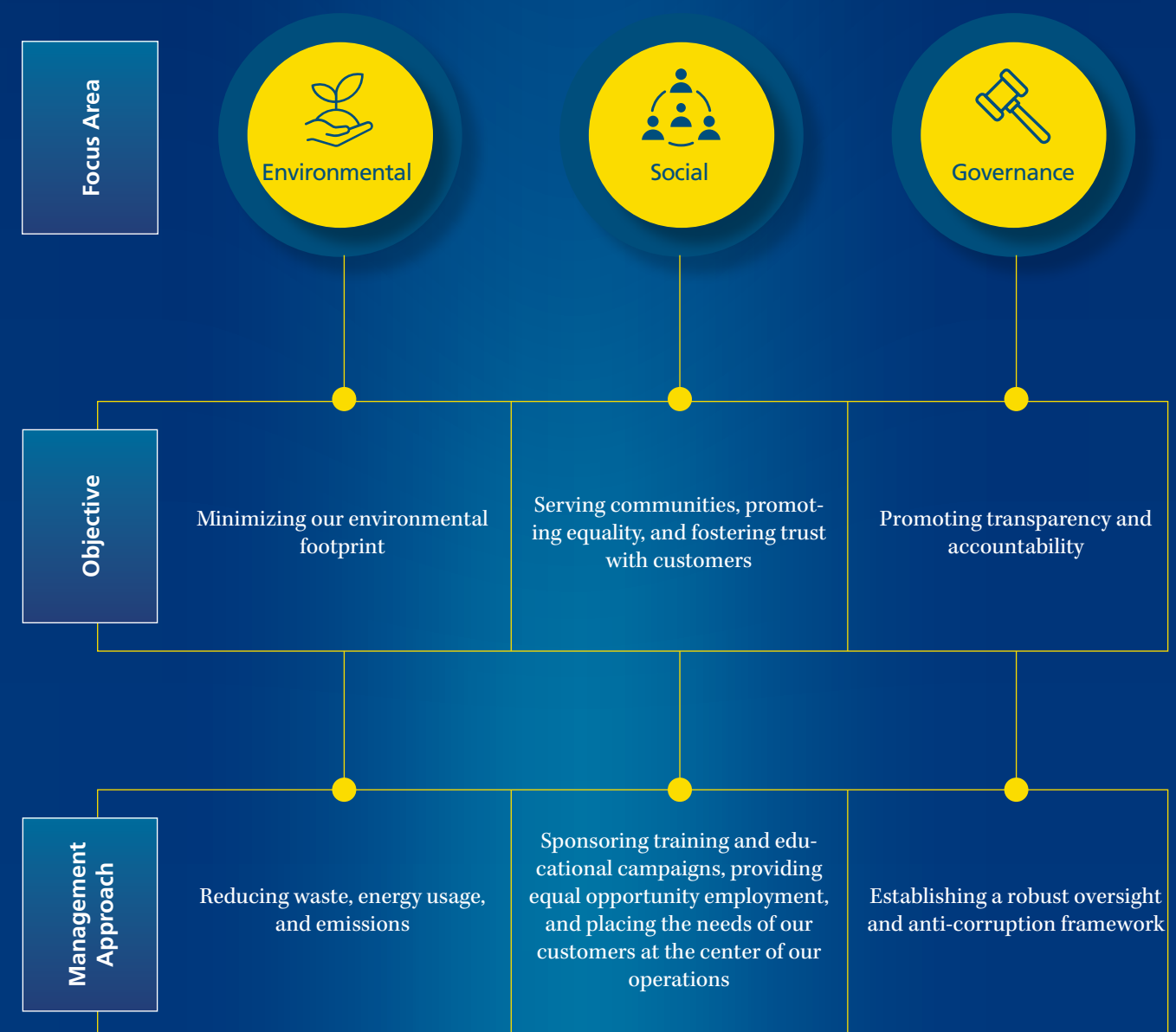
eXtra aims to measure and report on its environmental, social, and economic performance according to the highest global standards and work toward achieving national and global sustainable development goals.

## Management Approaches

As we work on formulating our ESG framework, our existing management approach focuses on all three components of sustainability, namely environmental, social, and governance frameworks. For the environmental framework, our main objective is to minimize our environmental footprint through reducing waste, energy usage, and emissions. As for the social framework, our core objective is to serve the communities in which we operate, promote equality, and foster trust with our customers. We strive to achieve this through sponsoring training and educational campaigns, providing equal opportunity employment, and placing the needs of our customers at the center of our operations. Meanwhile for the governance framework, our aim is to promote transparency and accountability by establishing a robust oversight and anti-corruption framework.



## eXtra is already taking action across all dimensions of the sustainability sphere



## Alignment with Saudi Vision 2030

eXtra has always supported and worked toward achieving the objectives of the Saudi National Vision 2030, which is built on three pillars:



### A Vibrant Society

eXtra works toward creating a vibrant society that strengthens our national identity and offers a fulfilling and healthy life. Our efforts toward achieving this pillar include greater Saudization and increased reliance on local talent, as well as implementing various social and community initiatives aimed at promoting inclusivity and equality.

### A Thriving Economy

In line with the Saudi Vision 2030, eXtra is committed to bringing about a thriving domestic economy by providing training and educational campaigns to our employees and community members, helping them achieve a higher level

of productivity, as well as pushing for greater equality and creating a more inclusive and thriving economy.

### An Ambitious Nation

As an ambitious nation, the Kingdom is working on enhancing the effectiveness of the government and its role in strengthening the Saudi community, taking a leading role in enabling social responsibility. In line with this pillar of the Saudi Vision 2030 strategy, eXtra has taken a proactive role in supporting the local community, setting up numerous social initiatives and partnering up with various Saudi governmental organizations on its digitalization initiatives.

## Alignment with the Sustainable Development Goals (SDGs)

eXtra's growth strategy places significant emphasis on sustainable growth, directly contributing to the Kingdom's socioeconomic development in line with the United Nations' SDGs. Our strategic direction takes into consideration international frameworks and global initiatives in order to align with the SDGs.

Currently, through the various initiatives implemented across eXtra, we have taken an active role in directly contributing to the following five SDGs:



### Our ESG Initiatives

Over the past years, we have introduced a number of initiatives that reflect current management approaches and fall in line with the company-wide ESG strategy currently being developed.

#### Focus Area: Environment

Being environmentally sustainable is crucial in protecting our ecosystem, preserving natural resources, and ultimately creating a better a world for future generations. In line with our role in promoting environmental sustainability, we

have set in place an environmental framework that focuses on minimizing our environmental footprint. We continually work toward minimizing emerging risks and negative environmental impacts through the introduction and implementation of several environmental initiatives that range from minimizing energy usage and cutting down on paper waste to reducing emissions and shifting to more environmentally friendly sources of energy. So far, we have introduced 10 initiatives aimed at reducing waste, energy usage, and emissions.





## Environmental Initiatives

### Paperless Campaigns



	Year of Introduction: 2020
	Scope: Company-wide
	Paper usage has been reduced by 100 million sheets per year

The environmental effects of paper production include deforestation, the use of enormous amounts of energy and water, air pollution, and waste problems. Accordingly, eXtra began replacing printed commercial flyers with digital marketing methods starting 2020. Today, we have completely eliminated the use of printed flyers and fully rely on digital marketing instead.

### Electronic Shelf Labels



	Year of Introduction: 2020
	Scope: Labeling
	Cutting down on paper usage by 2.7 million sheets

Since paper waste is one of the largest contributors to environmental pollution, with paper accounting for around 26% of total waste at landfills, we decided to replace all of our pre-printed shelf labels with electronic ones in 2020 in an effort to be more efficient and environmentally friendly, optimizing the use of resources and minimizing the use of paper.

### Digital Delivery System



	Year of Introduction: 2020
	Scope: Delivery systems

In just 40 years, a forest area the size of Europe has gone, and half of the world's rainforests have been destroyed in just one century thanks to deforestation. Accordingly, cutting down on our usage of paper is a main priority at eXtra. On that front, our digital delivery system enables us to complete our delivery cycle in a more efficient and environmentally friendly method, operating without any need for paperwork and allowing us to significantly cut down on paper usage throughout the business.

### Replacing Stickers with Electronic Screens



	Year of Introduction: 2021
	Scope: Labeling
	Cutting down on paper usage by SAR 335,000 annually

Continuing on with our efforts to minimize our paper usage and consumption, banners and stickers across several stores have been replaced with electronic screens in a bid to be more efficient and environmentally friendly and optimize the use of resources. Throughout the coming year, we will work on implementing the initiative across the remainder of our stores.

### E-Waste



	Year of Introduction: 2022
	Scope: Electronic waste
	74,000 KG (equivalent to SAR 3.8 million) of electronic waste properly disposed of/recycled

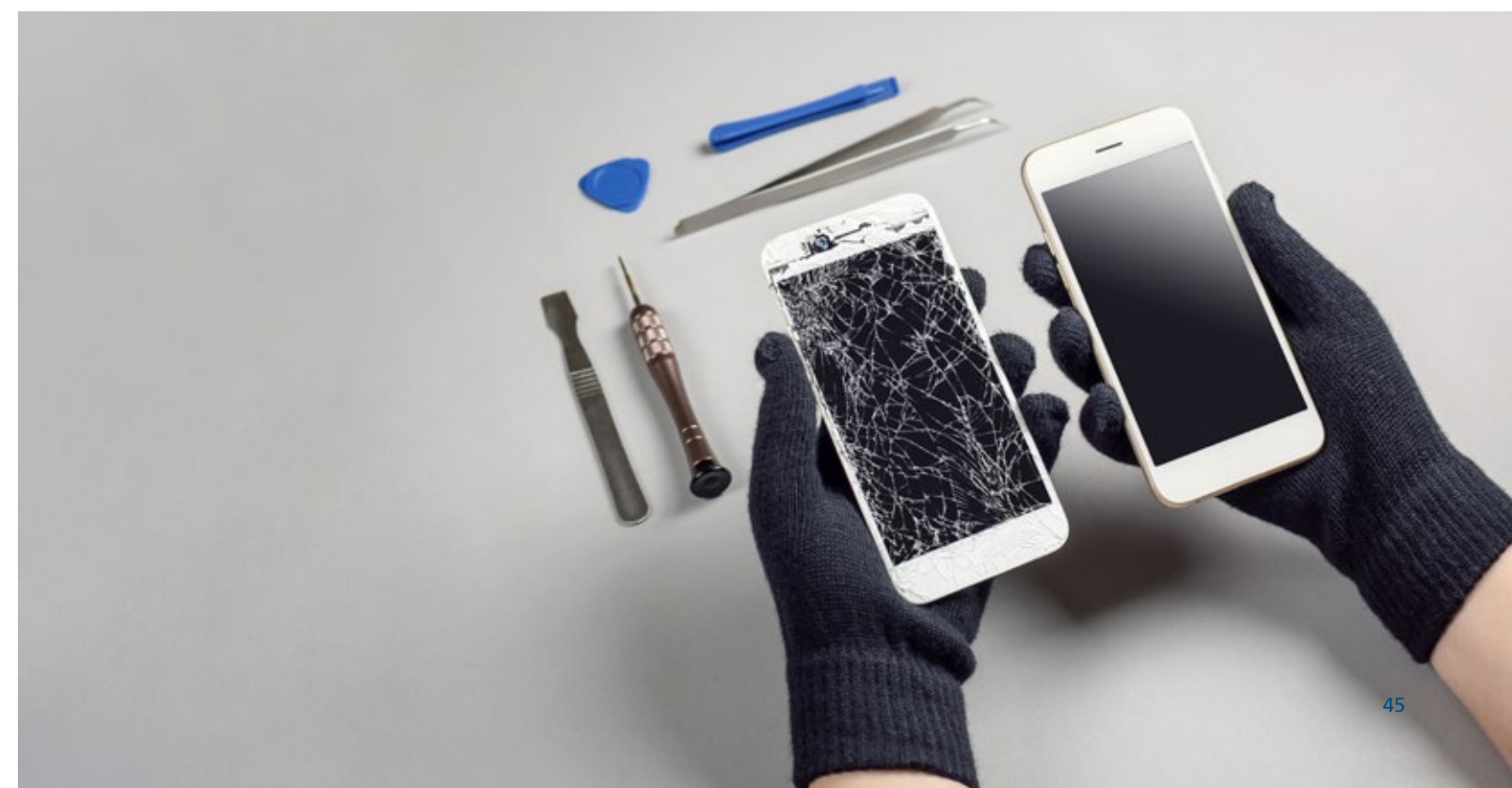
Improper disposal of electronic waste can lead to significant pollution and consequential health risks due to the toxic materials that leach from it. To address this, E-Waste looks to reduce electronic waste by disposing of it in an environmentally friendly manner through a cooperation between eXtra and a leading service provider in electronic waste and electronic equipment recycling. The initiative falls in line with our efforts to promote a culture of environmental sustainability, since electronics can have a negative, long-term environmental effect if not recycled or disposed of safely. Going forward, we aim to continue supporting E-Waste by working on encouraging a culture of conservation that contributes to safeguarding the environment.

### Mobile Trade-in Initiative



	Year of Introduction: 2018
	Scope: Electronic waste
	2,000 trade-ins completed per year

Expanding on our efforts in reducing e-waste, we have introduced the Mobile Trade-in Initiative, which allows customers to upgrade their current electronic devices to the latest ones through a top-up residual value offering. The initiative supports environmental sustainability by promoting the replacement of old devices with new ones through a regulating body, reducing e-waste and recycling or disposing of older devices within a strict, environmentally friendly guideline. Moving forward we are looking to further develop this initiative by partnering up with governmental bodies, such as the Ministry of Environment, and promoting the initiative via social media to reach a wider audience.





### Ertiqaa



### Shifting Diesel Forklifts into Electric Forklifts



- Year of Introduction: 2013
- Scope: Electronic waste
- 54,577 Recycled Devices

- Year of Introduction: 2021
- Scope: Fuel consumption
- Diesel consumption eliminated

In an effort to further cut down on e-waste, we introduced Ertiqaa, a non-profit organization registered with the Ministry of Human Resources and Social Development. Ertiqaa attempts to reduce e-waste by recycling computers and electronic equipment, rehabilitating them for delivery to secondhand beneficiaries. The initiative is part of our effort to instill a culture of conservation that contributes to environmental protection through recycling, since electronics can have negative, long-term environmental implications if not recycled or disposed of safely. Going forward, we aim to continue supporting Ertiqaa with all means at the Company's disposal.

Diesel exhaust is a Group 1 carcinogen, which causes lung cancer and has a positive association with bladder cancer. In an attempt to minimize diesel emissions, eXtra has replaced its diesel-fueled forklifts with electric machines, allowing the Company to completely eliminate diesel consumption and emissions linked to forklift usage across our distribution centers and showrooms. Taking this a step further, we are currently working on converting all equipment and machinery running on diesel across eXtra operations to electricity-powered machines.



### Route Optimization System



- Year of Introduction: 2018
- Scope: Delivery

Fuel emissions are a major source of air pollution and a significant contributor to climate change. Our Route Optimization System aims to cut down on fuel consumption and emissions by optimizing our delivery routes, making them shorter and more efficient. Throughout the coming year, we will work on taking this initiative further by implementing an updated system that offers increased efficiency and greater accuracy.

### LED Lights Project



- Year of Introduction: 2018
- Scope: Electricity consumption
- Around 8,500 light bulbs replaced
- 45–55% decline in energy consumption

Traditional, non-renewable means of energy generation are a principal contributor to climate change. To address this, we have introduced the LED Lights Project, which involved the replacement of old light fixtures with LED ones at eXtra's headquarters and stores across the Kingdom, heavily cutting down our energy consumption levels across the business. eXtra is working on taking this initiative further over the coming year by replacing the remaining light bulbs with LED lighting fixtures.



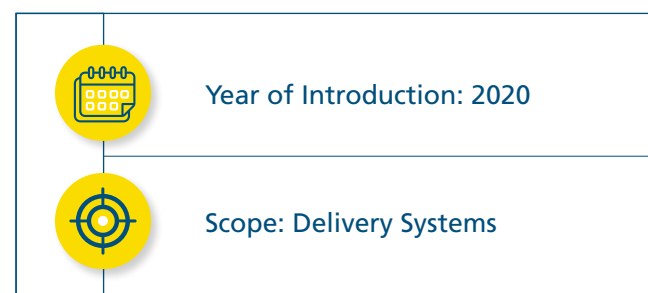


## Focus Area: Social

Stakeholder engagement is a crucial aspect of our sustainability perspective and our general business strategy. As a market leader, we have both a responsibility and a business interest to understand and respond to the needs and concerns of our key stakeholders. Customer satisfaction also plays a crucial role in enabling sustainable growth. On that front, we continue to work toward becoming a more customer-centric business with the introduction of several initiatives that aim to improve customer engagement and satisfaction and further enhance the customer experience. We currently have 16 social initiatives in place to help us achieve that goal.

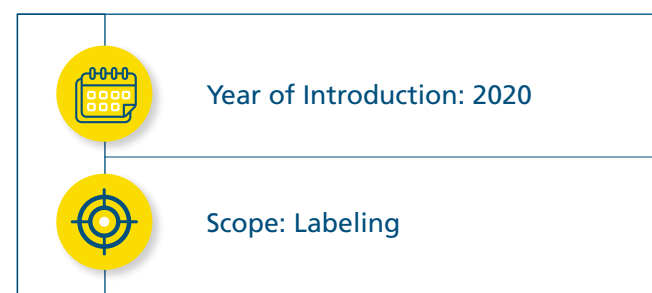
### Social Initiatives

#### Digital Delivery System



Digitalization is key to providing customers with a more convenient, streamlined, and customized experience. Our digital delivery system enables us to complete our delivery cycle in a more efficient manner. Operating without any need for paperwork, the system speeds up the cycle and optimizes the use of resources. The system digitally controls and records all operational events linked to the delivery cycle, provides reporting dashboards, and provides tracking, visibility, and customer feedback. Throughout the coming year, we are looking to develop the system further by improving event visibility for customers and enhancing our Customer Experience Department.

#### Electronic Shelf Labels



In an attempt to provide a more convenient customer experience, we decided to replace all of our pre-printed shelf labels with electronic ones, optimizing the use of resources and expanding our digitalization efforts. Toward the end of 2022, we started introducing new electronic labels with built-in QR codes for each item in order to provide a more convenient customer experience.

#### Replacing Stickers with Electronic Screens



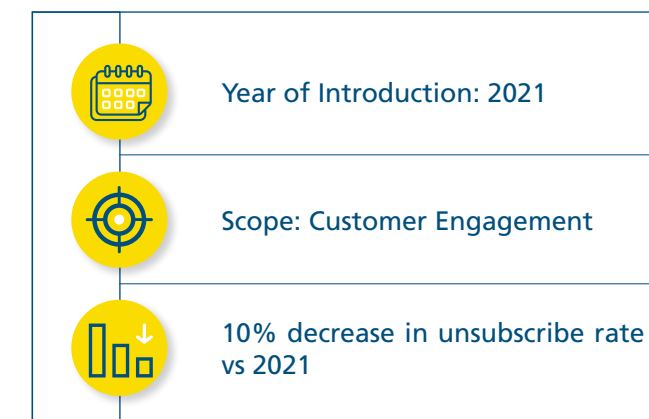
Making greater use of digitalization in order to provide the best possible customer experience, banners and stickers across several stores have been replaced with electronic screens in a bid to be more efficient and optimize our use of resources. Throughout the coming year, we will work on implementing the initiative across the remainder of our stores.

#### Paperless Campaigns

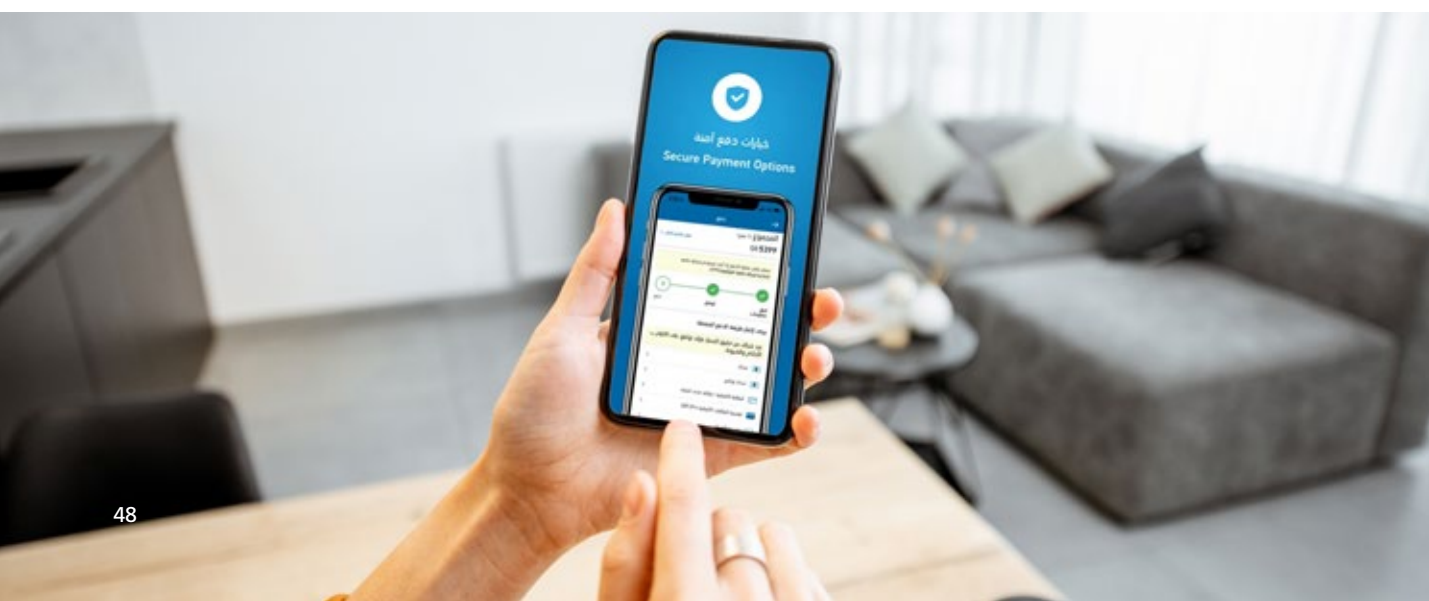


eXtra continued to increase its reliance on digitalization, and starting 2020, we began replacing printed commercial flyers with digital marketing methods in order to increase our customer reach and create a more enriching customer experience. Today, we have completely eliminated the use of printed flyers and are fully reliant on digital marketing instead.

#### Digitalizing Customer Engagement



In an effort to enhance customer satisfaction, we began implementing AI models and customer segmentation techniques aimed at targeting customers based on the forecasted behavior of individual customers. Automated journeys were then created and used for each group of customers. Additionally, all systems being used by our customers were integrated into a single system in order to enhance user experience. Going forward, we are working on developing this initiative further by adding more marketing tools and touchpoints to the program, as well as enhancing our AI models to automate customers' post-purchase journeys.



## Ertiqaa



	Year of introduction: 2013
	Scope: Community support
	<b>130,814:</b> Number of received devices that were donated (collected from Ertiqaa customers, including eXtra)
	<b>64,225:</b> Number of distributed devices (sent to the new product owner after servicing and maintenance)

As part of our role in supporting underprivileged members of society, we introduced Ertiqaa, a non-profit organization registered with the Ministry of Human Resources and Social Development. Ertiqaa's mission is to provide sustainable social services that support intellectual, educational, and eco-friendly programs through the refurbishment and distribution of used computers to educational and social institutions across the Kingdom.

Through this initiative, eXtra seeks to promote the concept of digital sustainability by providing a professional service that supports both educational and environmental programs through refurbishing used computers and distributing them to social and educational entities.

## Bairaq Roundabout



	Year of introduction: 2020
	Al-Bairaq roundabout located in Al-Khobar Governorate, the link between King Khalid Road and King Fahd Road
	Scope: Social responsibility

As part of our social responsibility, and in support of the efforts exerted in the development and growth of our country, we have contributed to the development of the Al-Bairaq roundabout. This comes in line with our commitment as a private sector company to playing an active role in supporting the aesthetic aspects of the Kingdom. We also look forward to partaking in other landmark initiatives in the coming years alongside our partners in "Mujassam Watan" in order to continue giving back to our nation.

The design of Al-Bairaq roundabout focuses on the Kingdom's distinctive nature, especially the deserts and sand dunes. Modern techniques were used in its design, and the panels used were manufactured by highly experienced Saudi engineers and supervisors. This project came about through a partnership with the private sector with the purpose of serving the region. Going forward, we are planning on expanding our community work to encompass various areas throughout the Kingdom.

## Sustainable Training



	Year of introduction: 2018
	Scope: Training and development
	<b>16,178</b> Employees trained since 2018

At eXtra, we believe that we have a responsibility toward our employees, and that it is our role to enable them to become the best versions of themselves. On that front, we offer our employees several training programs each month, helping develop their sales skills, product knowledge and awareness, and leadership potential. Our training programs have equipped employees with new skills, positively impacting their productivity. Furthermore, the programs have had a positive impact on employee satisfaction, and a number of employees received advanced leadership training as part of their training programs. Going forward, we are working on introducing a wider variety of training programs that focus on personal development skills to complement the employees' existing technical skills.

## Tamheer Program



	Year of introduction: 2019
	Scope: Training and development
	About 150 trainees since inception

In addition to supporting our employees, we aim to play an active role in supporting members of our community, providing them with training and educational programs that enhance their skills, allowing them to become more productive members of society. eXtra's Tamheer program targets fresh graduates with no employment experience and offers them on-the-job training opportunities alongside specialized training professionals. We are looking to enhance the program's profile further by hiring a larger amount of Tamheer program graduates at eXtra, raising the program's value-adding benefits and outcomes.





## Healthy Workplace



Scope: Employee welfare

Our responsibility toward our employees is not just limited to providing training and development opportunities; we are also responsible for the health and wellbeing of our people. As part of our efforts to cultivate a healthy working environment, we offer our employees various health programs, such as health lounges and medical check-ups targeting their physical and mental wellbeing. eXtra also holds regular “fun days” for its employees, offering free food and refreshments and setting up an entertainment room with video game consoles and other activities. Our efforts in cultivating a healthy workplace have seen employee satisfaction rise significantly and has had a substantial positive effect on productivity. Moving forward, we will continue to provide our employees with health programs, health awareness sessions, engagement events, and fun days.

## Gender Equality



Scope: Gender equality



21 females in middle and upper management positions (7% of all middle and upper management employees)

Promoting gender equality remains a priority for us. We have zero tolerance of any kind of gender discrimination, and we take great pride in making sure that males and females are treated equally across our business. Going forward, we are working on improving the ratio of females to males in managerial positions.

## Saudization & Localization

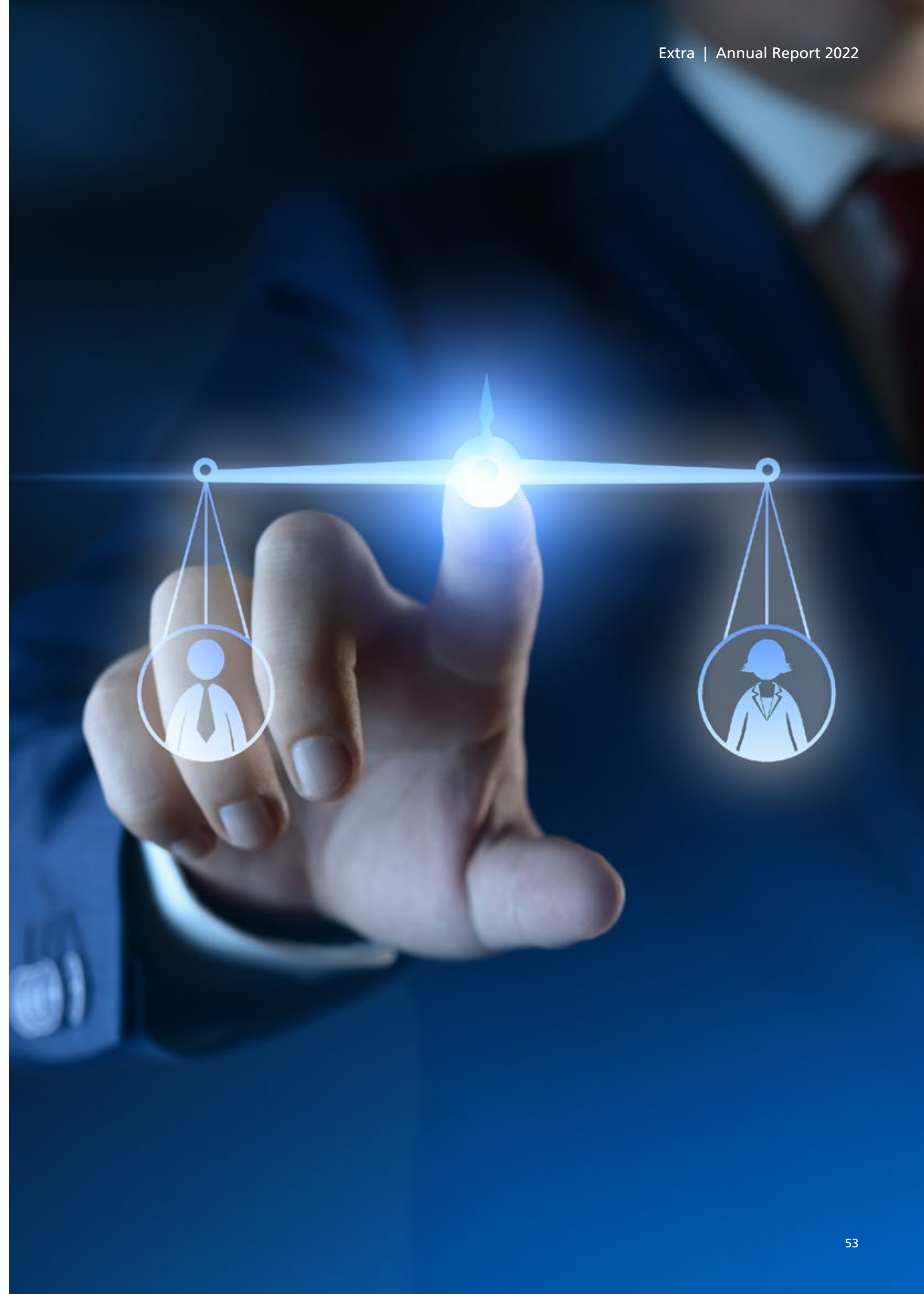


Scope: Community support



51% Saudization rate in 2022

In line with the Saudi Vision 2030 strategy, supporting the Saudi economy, and creating a vibrant society, we are committed to prioritizing local talent when recruiting. We also work to enhance the skillsets of our Saudi employees. Our goal throughout the coming period is to gradually increase Saudization rates by continuing to support and prioritize local candidates.



## Salary Equality



	Scope: Gender equality
	Equal pay company-wide

In addition to gender equality and non-discrimination when it comes to employment opportunities, and in line with our anti-discrimination policies and code of conduct, all of our employees are treated equally, and no salary gap exists between our male and female employees.

## Human Rights



	Scope: Employee welfare
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As part of our role in upholding human rights, we have in place a number of policies and procedures that regulate data privacy and security, wage fixing, working hours and vacation days, non-discrimination, employee health and safety, and product safety. Our policies and guidelines have supported all of eXtra's employees, and moving ahead, we are continuing to explore ways to further enhance our policies.

## People with Disabilities



	Year of introduction: 2018
	Scope: Community support

As part of our role in supporting the local community, we provide disabled individuals with early access to our Mega Sale Festival, opening our doors a day early for people with disabilities to help them avoid heavy crowds during the festival.

## Mobile Hospital

	Year of introduction: 2020
	Scope: Community support

With the onset of the COVID-19 pandemic, and as part of our responsibility toward our community, we set out to explore ways to support the Ministry of Health's heroic efforts in combating the pandemic. On that front, we were able to donate a fully equipped and functional mobile field hospital, supporting the healthcare sector during one of its most challenging periods.

“

*eXtra has long been an advocate of smart, ethical, and responsible operations and has championed sustainable development tenets long before laying the groundwork for tangible ESG strategies.*



## Focus Area: Governance

Our success continues to be guided by our ethical approach to conducting business and strong governance framework. eXtra's Board of Directors plays an active role in ensuring that we uphold the highest standards of governance and transparency while delivering and executing on eXtra's strategic goals. On this front, we utilize various tools, including eXtra's governance manual, committee charters, bylaws, code of conduct, authority matrix, and other internal governance policies, to ensure company-wide responsible, transparent, and ethical business practices.

eXtra continues to implement strong governance mechanisms, policies, and best practices that optimize value-creation for stakeholders while integrating ESG considerations into our decision-making processes, operations, and supply chains. Our governance systems are designed to build trust and engage with our stakeholders. Furthermore, eXtra continues to embrace core ESG values, such as transparency, gradually committing to the issuance of new ESG-specific publications and adding new ESG sections to existing reports.

For further details about eXtra's governance model, please refer to the governance section.

### Governance Initiatives

#### Oversight

Oversight is key in ensuring that a company's strategies, policies, and procedures are implemented and complied with. On that front, eXtra currently has in place a strong set of governance mechanisms, policies, and best practices. Additionally, we are working on putting together a Sustainability Team that

will be responsible for the implementation and oversight of our ESG framework across the company, which includes our governance mechanisms. The Sustainability Team will also be responsible for developing strategies, setting targets, and measuring our progress toward achieving the strategy's goals. Furthermore, eXtra's Board of Directors will act as the governing body responsible for reviewing company-wide compliance with the ESG strategy.

#### Anti-Corruption

At eXtra, we have a zero-tolerance policy regarding corruption. On this front, we have in place a code of conduct and work ethics policies that are easily accessible and regularly circulated across all of eXtra's departments. Our code of conduct and work ethics policies dictate our ability to ensure that all employees embody the characteristics that have allowed us to establish and maintain the continued trust and confidence that consumers across the Kingdom have in the eXtra brand name. Our corporate culture has enabled eXtra to cultivate an environment where integrity and trust thrive, which are two key characteristics that our employees have always embodied across their day-to-day activities at eXtra to ensure ethical businesses practices. Moreover, in order to maintain eXtra's corruption-free work environment, we are regularly setting up corruption training sessions for our employees to raise awareness of corruption risks and what each individual can do in order to combat corruption.

#### Grievance Mechanism

At eXtra, we are committed to hearing and addressing every grievance made by any of our stakeholders, with our

grievance mechanisms serving as a valuable resource for stakeholder engagement and aiding in the continued improvement of our Company. On that front, we have set up an eXtra grievance system hotline, which can be used to report cases of potential non-compliance or unethical behavior. Any concern raised through our grievance mechanism is promptly evaluated, and any potential violations are investigated by the concerned department. Furthermore, corrective measures are put in place as necessary to avoid potential ethical transgressions.

We have also introduced green initiatives geared toward reducing utility consumption and increase energy conservation. We are also increasingly shifting our business approach toward a more customer-centric focus, with emphasis on raising customer satisfaction and enhancing the customer experience.

We will continue to embrace values of transparency, stakeholder engagement, good governance, and minimizing emerging risks and negative environmental impacts while maximizing positive social and economic impacts.

## Sustainability Developments

Throughout the past years, eXtra has introduced various initiatives aimed at strengthening the Company's role in relation to various aspects of sustainability and paving the way for formulating our ESG strategy. On that front, we have started implementing a company-wide digitalization strategy aimed at enhancing communication channels with our various stakeholders and enhance our resource efficiency as well.

### Environmental Framework

Our environmental framework will focus on managing our environmental footprint to help create a more sustainable future for future generations. Our commitment to environmental responsibility is completely aligned with our business strategies that aim to adapt to new environmental circumstances and foster a transition toward a sustainable future.

### Social Framework

With regards to the social framework, eXtra currently implements relevant policies and guidelines embedded in our operating cycle, but those are not currently categorized as an ESG framework. These guidelines include policies in the areas of customer service, human resources, and stakeholder engagement. These policies can be easily transferred under the ESG umbrella following some changes that will align them with eXtra's ESG framework once it is developed.

### Governance Framework

eXtra NRC is currently responsible for the overall oversight of our governance framework and policies. While eXtra's current governance framework is not currently specified as part of an ESG strategy, it can be transferred under the ESG framework once it is completed.

### Guidance Frameworks

We are currently working on setting in place a sustainability management framework that integrates critical ESG considerations into our business decision-making processes.



# CORPORATE GOVERNANCE





# BOARD OF DIRECTORS

The Board of Directors of the United Electronics Company, “eXtra”, consists of (9) members, as stipulated in the provisions of its bylaws and the Board included each of the following:



**Abduljabbar AbdulRahman Mohamed AlAbduljabbar**  
Independent Chairman

**Current position:** Managing Director and CEO of Naseej for Information Technology  
**Previous positions:** CEO of International Systems Engineering

**Qualifications and experience:**

Bachelor of Information Systems from King Fahd University of Petroleum & Minerals, 1986  
More than 30 years of Information Technology experience and developing innovative technology solutions, and Founder and CEO of Naseej for Information Technology

**Companies where the BOD member is currently on the board**

Naseej for Information Technology  
Arabian Advanced Systems – Egypt  
Arabian Advanced Systems – Lebanon  
Arabian Advanced Systems – Morocco  
Baianat Digital IT  
Software Rapid Intervention Company  
Infosystec IT  
Naseej Retail Sale of Computers and Accessories

**Companies where the BOD member was on the board**

Arabian Advanced Systems – Syria



**Abdullah Ali Ibrahim Almajdouie**  
Independent Vice Chairman

**Current position:** Vice Chairman of the Board of Directors at Almajdouie Holding  
**Previous positions:** General Manager

**Qualifications and experience:**

Bachelor of Industrial Management, 1986, and an MBA from King Fahd University of Petroleum and Minerals (KFUPM), 1991  
35 years of experience in economics and management

**Companies where the BOD member is currently on the board**

Almajdouie Holding Co.  
Almajdouie Logistics Co.  
Almajdouie Investments Co.  
Prince Mohammed bin Fahd International University  
Dhahran International Expos  
Arab Union for Land Transport – Outside KSA  
Raya Financing  
Star Marine Services – Outside KSA  
Almajdouie De Rijke  
The National Center for Family Enterprises  
Public Transportation Authority

**Companies where the BOD member was on the board**

Al Ahsa Development  
Tourism Development Council  
Petrology – Outside KSA  
Dana Gas Sharjah – Listed Company  
Arab Paper Manufacturing

**Committee membership**

Chairman of the Nominations and Remuneration Committee



**Mansour AbdulAziz Rashid AlBosaily**  
Independent Member

**Current position:** Member of multiple Board of Directors and committees at various companies  
**Previous positions:** Chairman of HSBC Saudi Arabia Limited

**Qualifications and experience:**

Bachelor of Legal Systems from King Saud University, 1984  
1985–1990: Served as Branch Manager at the United Saudi Bank, then promoted in 1989 to Corporate Credit Team Leader  
1990–2014: Appointed as Credit Communications Officer at SABB, then served as Director General of Legal Affairs, and, in 1994, as Secretary General of the Bank where he oversaw the establishment of SABB’s compliance structure. In 2010, he was appointed as Global Compliance Officer, where he built the corporate governance framework of the bank and oversaw its implementation. In addition, he was in charge of communication between SABB and regulatory entities, such as the Saudi Arabian Monetary Authority and the Capital Markets Authority.  
2015–2022: Appointed as Chairman of the Board of HSBC Saudi Arabia

**Companies where the BOD member is currently on the board**

Amlak International – Listed Company  
Saudi Arabian Ground Services – Listed Company  
Aseer Trading, Tourism and Manufacturing Co. – Listed Company  
Gas Arabian Services

**Companies where the BOD member was on the board**

HSBC Saudi Arabia  
Jabal Omar for Development Company – Listed Company  
Saudi Re for Cooperative Reinsurance – Listed Company

**Committee membership**

Chairman of the Audit Committee  
Member of the Nominations and Remuneration Committee



**Ahmed Yousef Ahmed AlSaqr**  
Non-Executive Member

**Current position:** Chairman of Al Yasra Foods  
**Previous positions:** Managing Director of Al Yasra Foods

**Qualifications and experience:**

BA in Economics from Claremont University, 1983  
30 years of experience in economics and management

**Companies where the BOD member is currently on the board**

Al Yasra International Food Group – Outside KSA  
Göknur Turkey – Outside KSA

**Companies where the BOD member was on the board**

Boubyan Bank – Outside KSA  
AlShall Investments – Outside KSA  
Bisco Misr Egypt – Outside KSA  
Kuwait Central Bank – Outside KSA  
General Investment Authority – Outside KSA

**Committee membership**

Nominations and Remuneration Committee Member



**Mohamed Galal Ali Fahmy**  
Executive Member

**Current position:** MD & CEO of the United Electronics Company (eXtra)  
**Previous positions:** General Manager of Nawah Holding

**Qualifications and experience:**  
Bachelor of Accounting from Ain Shams University, 1985  
30 years of experience in sales, marketing, strategic planning, banking, and accounting

**Companies where the BOD member is currently on the board**

United Company for Financial Services  
Procco Financial Services – Outside KSA

**Companies where the BOD member was on the board**

United Homeware Company (NICE)  
AMS Baeshen & Co.



**Ali Mohamed Ali Faramawy**  
Independent Member

**Current position:** Strategic Advisor  
**Previous positions:** Corporate Vice President Microsoft Corporation – Digital Transformation Partnerships

**Qualifications and experience:**  
Bachelor of Engineering (Computer Science and Automatic Control) from Alexandria University, Egypt 1986  
MBA (Strategic Marketing) from University of Hull – England, 1995  
More than 30 years of experience in marketing, management, & IT

**Companies where the BOD member is currently on the board**

Central Bank of Egypt – Outside KSA  
American University in Cairo – Outside KSA  
Masr Dot Bokra Foundation – Outside KSA  
Balmain – France  
Valentino SpA – Italy

**Companies where the BOD member was on the board**

National Bank of Egypt – Outside KSA



**Fozan Mohammed Ahmed Al Fozan**  
Non-Executive Member

**Current position:** AlFozan Holding Vice Chairman, Managing Director of Bawan Co.  
**Previous positions:** General Manager of Al Fozan for Building Material

**Qualifications and experience:**  
Bachelor of Accounting from the Faculty of Administrative Sciences at King Saud University, 1993  
More than 25 years of experience in economics and management

**Companies where the BOD member is currently on the board**

Abdul Latif & Mohamed Al Fozan Co.  
Al Fozan Holding Group  
Madar Building Materials  
Bawan  
Retail Urban Development  
Ajwad Holding  
Al Yamamah Steel  
United Co. for Financial Services  
BLOMINVEST

**Companies where the BOD member was on the board**

Madar Hardware  
Madar Electrical Materials  
Al Oula for Real Estate Development  
United Homeware Co. (NICE)  
Nawah Holding  
Amjal Property Development  
Maaly Al Khaleej Trading  
Enjaz Projects Ltd.  
Al Mada Holding  
Kayan International  
United Steel Industries  
United Glass Industries  
Rawabi AlRiyadh Co.



**Adel Omar Al Farouq Merheb**  
Non-Executive Member

**Current position:** Chief Investment Officer at Al Fozan Holding Group  
**Previous positions:** Head of Investment Advisory at Shuaa Capital

**Qualifications and experience:**  
Bachelor of Financial Accounting from the Faculty of Business Administration, The American University in Beirut, 2003  
More than 15 years of experience in investment, consultancy, and finance

**Companies where the BOD member is currently on the board**

Saudi Bloom Investment Company  
Al Badia Cement – Outside KSA  
United Cables – Outside KSA

**Companies where the BOD member was on the board**

United Homeware Co. (NICE)

**Committee membership**  
Nominations and Remuneration  
Committee Member





**Abdullatif Ali Abdullatif Al Fozan**  
Non-Executive Member

**Current position:** Chief Operations Officer at Al Fozan Holding Group  
**Previous positions:** Business Development Manager and Corporate Investment Manager for Al Fozan Holding Company

**Qualifications and experience:**  
Bachelors degree in Economics from the University of Toronto  
More than 10 years of experience in investment management and corporate finance

**Companies where the BOD member is currently on the board**

- |                                               |                                                              |
|-----------------------------------------------|--------------------------------------------------------------|
| Al Fozan Holding Company                      | Rufah Gulf Company Limited                                   |
| First Real Estate Development Holding Company | Household supplies trading company                           |
| Ajdan Real Estate Development Company         | Home stocking company                                        |
| Ascend Advanced Healthcare Solutions Company  | Household supplies company to transport parcels              |
| Athman Medical Care Holding Company           | Coffee Taste Company                                         |
| Saudi Industrial Machinery Company            | Alpha Financial Corporation                                  |
| Vision Nutrition Company                      | United Financial Services Company                            |
| Samaya Investment Company                     | Tadbeer Environmental Services Company                       |
| United Home Appliances Company                | Rushd Financial Company                                      |
|                                               | The National Company for Glass Industries – a listed company |
|                                               | Saudi Reinsurance Company – a listed company                 |



**Khalid Malik Al Ghalib Al Sharif**  
Independent Member

**Current position:** Retired  
**Previous positions:** Senior Executive Vice President – Saudi National Bank

**Qualifications and experience:**  
Bachelor’s degree in business from College of Notre Dame, USA  
Master’s degree in business from College of Notre Dame, USA  
MBA from College of Notre Dame, USA  
Over 35 years of experience in the banking sector holding various leadership positions

- |                                                                 |                                                        |
|-----------------------------------------------------------------|--------------------------------------------------------|
| <b>Companies where the BOD member is currently on the board</b> | <b>Companies where the BOD member was on the board</b> |
| Rua Al Madinah Holding Co.                                      | Al Ahly Takaful                                        |
| Arabian Petroleum Supply Company (APSCO)                        | Turkey Finance Bank – Outside KSA                      |
| King Abdulaziz Endowment for AlAin AlAzizia                     |                                                        |
| Saudi Reinsurance Company – a public shareholding company       |                                                        |

# NON-BOD COMMITTEE MEMBERS



**Jasem Shaheen Al Romeihy**  
Audit Committee Member

**Current position:** Financial and Management Advisor  
**Previous positions:** CEO of Razan Knowledge Holding

**Qualifications and experience:**  
Bachelor of Accounting from King Saud University, 1984  
Masters of Accounting from the University of Missouri, Kansas City, USA, 1989  
Doctorate degree in Accounting from Dundee University, Great Britain, 1997  
More than 30 years of academic, scientific, and practical experience in accountancy, leadership, corporate governance, organization building, and business excellence

**Committee membership**  
Member of the Audit Committee



**Mohammed Farhan Mohammed ben Nader**  
Audit Committee Member

**Current position:** Executive Partner at the United Accountants Company  
**Previous positions:** CFO of Sulaiman Al Rajhi’s Endowment Holding Company

**Qualifications and experience:**  
Bachelor of Accounting, King Saud University  
MBA in Finance from Heriot-Watt University  
More than 15 years of experience in accountancy, auditing and advisory.

**Committee membership**  
Member of the Audit Committee

*eXtra’s Board of Directors decided on 20 December 2022 to accept the resignation of Mr. Khalid Malik Al Ghalib Al Sharif from membership of the company’s Board of Directors.  
On 29 January 2023, the Board of Directors decided to approve the appointment of Mr. Abdullatif Ali Abdullatif Al Fozan as a member to fill the vacant seat in the Board of Directors (non-executive member), as of Sunday, 29 January 2023 AD until the end of the current session of the Board of Directors, which will end on 12 May 2024.  
Noting that the Board’s approval is not final, and this appointment will be presented to the first meeting of the General Assembly for approval.*



**Mohamed Ibrahim AbdelAziz AlObeed**  
Audit Committee Member

**Current position:** Consultant  
**Previous positions:** Vice President of Governance at AlJazira Bank

**Qualifications and experience:**

Bachelor of Management Science from King Saud University, 1990  
Held various managerial roles at Saudi British Bank (SABB) and AlJazira Bank  
30 years of experience in governance and compliance

**Committee membership**

Member of the Audit Committee

*The Board of Directors accepted the resignation of Mr. Abdul Moati Wasfi Abdul Hadi from the membership of the Audit Committee as of 7 March 2022, and to appoint Mohamed Ibrahim AbdelAziz AlObeed as a member of the Audit Committee as of 7 March 2022. The General Assembly held on 12 May 2022 approved the appointment.*

## BOARD OF DIRECTORS MEETINGS IN 2022

There were seven Board of Directors meetings held during 2022 with members' attendance as shown below"

		Board of Directors Meetings in FY2022						
Name		7 Mar	10 Apr	24 May	7 Jul	8 Aug	27 Sep	20 Dec
1	Abduljabbar Abdulrahman Mohamed Al Abduljabbar	√	√	√	√	√	√	√
2	Abdullah Ali Ibrahim Almajdouie	√	√	√	×	√	√	√
3	Mansour AbdulAziz Rashid AlBosaily	√	√	√	√	√	√	√
4	Ahmed Yousef Ahmed AlSaqr	√	√	√	√	√	√	×
5	Mohammed Galal Ali Fahmy	√	√	√	√	√	√	√
6	Fozan Mohammed Ahmed Al Fozan	√	√	√	√	√	√	√
7	Khalid Malik Al Ghalib Al Sharif*	√	√	√	√	√	√	NA
8	Ali Mohamed Ali Faramawy	√	√	√	×	√	√	√
9	Adel Omar Al Farouq Merheb	√	√	√	√	√	√	√
		√ – Present in person	×	– Absent	NA – not a board member at that time			

\*Mr. Khalid Al Sharif stepped down from the Board of Directors due to personal issues, and his resignation was approved by the Board on 20 December 2022.

## EXECUTIVE MANAGEMENT



**Wael Mohammed Mohammed Khalil**

**Current position:** CFO of The United Company for Electronics (eXtra)  
**Previous positions:** CFO of The Saudi Ready-mix Concrete Company

**Qualifications and experience:**

Bachelor of Accounting  
23 years of experience in accountancy, auditing, and advisory

### Board Members' Attendance of General Assemblies Held During 2022

Name	First General Assembly OGM on 12 May 2022	Second General Assembly EGM on 5 Oct 2022
Abduljabbar Abdulrahman Mohamed Al Abduljabbar	√	√
Abdullah Ali Ibrahim Almajdouie	×	×
Mansour AbdulAziz Rashid AlBosaily	√	√
Ahmed Yousef Ahmed AlSaqr	×	×
Mohammed Galal Ali Fahmy	√	√
Fozan Mohammed Ahmed Al Fozan	√	√
Ali Mohamed Ali Faramawy	×	√
Khalid Malik Al Ghalib Al Sharif	√	√
Adel Omar Al Farouq Merheb	√	√
		√ – Present in person    × – Absent    NA – not a board member at that time

### Board of Directors' Performance and Evaluation

eXtra's Nomination and Remuneration Committee identifies the strengths and weaknesses of the Board of Directors and makes annual recommendations in line with the Company's interests. Additionally, the Nomination and Remuneration Committee evaluates the performance of the Board's various committees in accordance with the tasks assigned to them by the Board.

The Nomination and Remuneration Committee implemented a new electronic mechanism to evaluate the performance of the members of the Board of Directors during the Board's periodic meetings. The results are reviewed at the end of the year by the Nominations and Remuneration Committee, which recommends the required improvements, if any.



# THE AUDIT COMMITTEE

eXtra's Audit Committee was formed and its charter approved by a General Assembly decision issued during its 29 April 2021 meeting, effective for three years from 13 May 2021 to 12 May 2024.

## Summary of the Committee's Responsibilities

### Financial reports:

The Audit Committee analyzes the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness, and transparency. The committee provides its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.

The Audit Committee also analyzes any important or non-familiar issues contained in the financial reports. It investigates any issues, examines the accounting estimates regarding significant matters within the financial reports, examines the accounting policies followed by the Company, and provides its opinion and recommendations to the Board thereafter.

### Internal audit:

The Audit Committee examines and reviews the Company's internal and financial control and risk management systems, analyzes the internal audit reports, and follows up on the implementation of the corrective measures outlined in the reports. It oversees the performance and activities of the Company's internal auditor and Internal Audit Department, if any, to ensure the availability of the necessary resources, and their effectiveness in performing the assigned activities and duties. The Committee also provides recommendations to the Board on appointing the manager of the Internal Audit Unit or Department, or the internal auditor, and on their remuneration and verifies the internal auditor's degree of independence.

### External Auditor:

The Committee recommends the nominations and dismissal of external auditors to the Board, determines their remunerations, and assesses their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts. It is tasked with verifying the independence

of the external auditor, its objectivity, fairness, and effectiveness, taking into account the relevant rules and standards. The Audit Committee also reviews the external auditor's plans and activities, ensuring the external auditor does not provide any technical or administrative works that are beyond their scope of work. It provides its opinion on the external auditor's findings and responds to any queries that may arise, in addition to reviewing the external auditor's reports and comments on the financial statements and following up on the procedures taken accordingly.

### Compliance:

The Audit Committee is tasked with reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions. It ensures the Company's compliance with the relevant laws, regulations, policies, and instructions; reviews the contracts and proposed related party transactions; and issues recommendations to the Board in connection therewith. The Committee reports any issues in connection with what it deems actionable to the Board and provides recommendations regarding the steps that should be taken.

## Audit Committee Meetings in FY2022

In accordance with governance guidelines approved during the General Assembly of eXtra's shareholders, the Audit Committee convenes at the request of its chairman. During 2022, the committee convened four times as follows:

Name	Position	Audit Committee Meetings in FY2022			
		13 Feb	26 Apr	4 Aug	27 Oct
Mansour AbdulAziz Rashid AlBosaily	Chairman	√	√	√	√
Abdul Moaty Wasfy Abdul Hady*	Member	√	NA	NA	NA
Jasem Shaheen Al Romeihy	Member	√	√	√	√
Mohamed Ibrahim AbdelAziz AlObeed*	Member	NA	√	√	√
Mohammed Farhan ben Nader	Member	√	√	√	√
	√ – Present in person    × – Absent	NA – not a board member at that time			

\*The Board of Directors accepted the resignation of Mr. Abdul Moaty Wasfy Abdul Hady from the Audit Committee effective from 7 March 2022, and Mr. Mohamed Ibrahim AbdelAziz AlObeed was hired as a member of the Audit Committee in his place effective from 7 March 2022. The hiring was approved by the General Assembly on 12 May 2022.

## Internal Audit Department

The Internal Audit (IA) Department functionally reports to the Audit Committee. The Department complies with the professional standards and frameworks of the Institute of Internal Auditors (IIA) and adopts best-in-class internal audit practices, following a risk-based approach that focuses on high-risk activities that may adversely affect the Company's strategic objectives. The IA Department has implemented the following activities to improve eXtra's internal control environment:

- Implementing the Internal Audit's annual plan for 2022 based on identified risks.
- Submitting a periodic report to the Audit Committee on key internal audit activities, a periodic follow-up report on the progress of the implementation of the IA recommendations that have been agreed upon by the Audit Department Heads to enhance internal controls, and the proposed corrective actions to be in the line with the Company's strategic objectives.
- Renewing and ratifying the internal audit charter by the Audit Committee and Executive Management to strengthen the Internal Audit's independence and its ability to perform its duties objectively.
- Focusing on the improvement of the Department's human resources through the development of its personnel and recruitment of experienced and qualified internal auditors to execute internal audit functions with proficiency and due professional care.

Noting that, in compliance with the internal audit standards issued by the IIA, an evaluation was conducted by an independent external consultant for the quality assurance and improvement program for the IA Department, and the Company's IA Department obtained the highest levels of compliance with regards to the standards and principles followed.

## Results of the annual review on the effectiveness of the Company's Internal Control systems

The Audit Committee's 2022 review found no shortcomings or significant deficiencies in eXtra's internal control systems.

It is noteworthy that the Audit Committee prepared a report regarding its observations of the efficiency of the company's internal control systems and of all other activates falling under the Committee's purview. This report will be presented during the General Assembly of shareholders within the first half of 2023. Its findings were as follows:

- No inherent deficiencies worthy of disclosure were detected with regard to the safety of the financial and accounting systems and all the information relevant to the preparation of financial reports.
- The control systems are efficient and allow for the identification of any risks the Company may face, with no significant system breaches during 2022.
- Measures were ratified accordingly toward all the observations and recommendations submitted by the IA Department to the Audit Committee.

## External Auditor

Audit Proposals were solicited from well-established auditing firms to review the company's accounts. The Proposals were presented to the Audit Committee and, upon further review, the Committee will present the nominated candidates before the General Assembly of shareholders to pick the Company's auditor for 2023.

# THE NOMINATION AND REMUNERATION COMMITTEE

eXtra's Nomination and Remuneration Committee was formed by the Board of Directors on 13 May 2021 for a period of three calendar years from the date of establishment, ending on 12 May 2024. The Committee's charter was approved by the General Assembly with the following composition:

1. Mr. Abdullah Ali Ibrahim Almajdouie (Independent Member) – Chairman
2. Mr. Mansour AbdulAziz Rashid AlBosaily (Independent Member) – Member
3. Mr. Ahmed Yousef Ahmed AlSaqr (Non-executive Member) – Member
4. Mr. Adel Omar Al Farouq Merheb (Non-executive Member) – Member

## Summary of the committee's responsibilities:

### Nominations:

The Committee is required to suggest clear policies and standards for the membership of the Board and the Executive Management. The Committee must provide recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, preparing a description of the capabilities and qualifications required for the membership of Board and Executive Management positions.

The Committee is also tasked with annually reviewing the skills and expertise required of Board members and Executive Management, reviewing the structure of the Board and the Executive Management, and providing recommendations regarding changes that may be made to the structure. This is in addition to ensuring the independence of Independent Directors, determining the strengths and weaknesses of the Board, and

recommending remedies that serve the Company's interests.

### Remuneration:

The Committee must prepare a clear policy for the remuneration of the Board's members and committees and the Executive Management and present this policy to the Board in preparation for approval by the General Assembly. It is tasked with periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives, as well as providing recommendations to the Board with respect to the remuneration of its members, committee members, and Senior Executives in accordance with the approved policy.

### Governance:

The Committee is tasked with the general supervision of the Company's corporate governance system, monitoring its effectiveness, and making necessary modifications when the need arises. The Committee must verify the Company's compliance with corporate governance regulations and review and update them when needed, in accordance with statutory requirements and best practices. It reviews and develops professional conduct guidelines that represent the Company's values, and other internal policies and procedures.

## Nomination and Remuneration Committee Meetings in FY2022

In accordance with the governance guidelines approved during the General Assembly, the Nomination and Remuneration Committee convenes at the request of its chairman. During 2022, the committee convened three meetings as follows:

Name	Position	Nomination and Remuneration Committee Meetings in FY2022			
		13 Feb	7 Mar	16 Jun	3 Aug
Abdullah Ali Ibrahim Almajdouie	Chairman	√	√	√	√
Mansour AbdulAziz Rashid AlBosaily	Member	√	√	√	√
Ahmed Yousef Ahmed AlSaqr	Member	√	√	√	√
Khalid Malik Al Ghalib Al Sharif*	Member	√	√	√	√

√ – Present in person    × – Absent    NA – not a board member at this time

\* Mr. Khalid Al Sharif stepped down from his position on the Board of Directors and the Nomination and Remuneration Committee for personal reasons, and his resignation was accepted by the Board on 20 December 2022. On 8 January 2023, the Board of Directors decided to appoint Mr. Adel Omar Al Farouq Merheb as a member of the Nominations and Remuneration Committee, as of the date of the Board's decision until the end of the current Board of Directors session on 12 May 2024.



# BOARD OF DIRECTORS REMUNERATION (SAR)

Total remuneration paid to members of the Board and five senior executives during the year ending 31 December 2022.

Name	Fixed Remuneration					Variable Remuneration					Grand total	Expenditures Allowance		
	Specific amount	BOD attendance allowance	Committee allowance	In-kind benefits	Rewards for technical, administrative and consulting works Reward for the Chairman, MD or Secretary If they are a member	Percentage from Profits	Periodic Bonuses	Short-term incentive plans	Long-term incentive plans	Shares granted			Total	End of service Bonus
Abdul Jabbar Abdul Rahman	356,129	12,000	--	--	--	368,129	--	--	--	--	0	--	368,129	8,832
Mohammed al Abdul Jabbar	280,000	12,000	6,000	--	--	298,000	--	--	--	--	0	--	298,000	--
Abdullah Ali Ibrahim Almajdouie	280,000	12,000	18,000	--	--	310,000	--	--	--	--	0	--	310,000	9,592
Mansour Abdul Aziz Rashid AlBosaily	102,366	--	--	--	--	102,366	--	--	--	--	0	--	102,366	--
Abdel Hamid Abdel Aziz Mohamed Al Ouhalle*	177,634	9,000	6,000	--	--	192,634	--	--	--	--	0	--	192,634	11,146
Khalid Malik Al Sheri**	177,634	12,000	--	--	--	189,634	--	--	--	--	0	--	189,634	10,805
Ali Mohamed Ali Paramawy**	1,373,763	57,000	30,000	0	0	1,460,763	0	0	0	0	0	0	1,460,763	40,375
<b>Total</b>														
<b>Non-Executive Members</b>														
Abdullah Abdul Latif Ahmed Al Fozan*	146,237	--	--	--	--	146,237	--	--	--	--	0	--	146,237	--
Ahmed Yousef Ahmed AlSagr	280,000	9,000	6,000	--	--	295,000	--	--	--	--	0	--	295,000	4,384
Fozan Mohammed Ahmed Al Fozan	280,000	12,000	--	--	--	292,000	--	--	--	--	0	--	292,000	11,502
Mohammed Ahmed Yousef Abdel Malek*	102,366	--	--	--	--	102,366	--	--	--	--	0	--	102,366	--
Adel Omar Al Farouq Meheeb**	177,634	12,000	--	--	--	189,634	--	--	--	--	0	--	189,634	--
<b>Total</b>	986,237	33,000	6,000	0	0	1,025,237	0	0	0	0	0	0	1,025,237	15,976
<b>Executive Members</b>														
Mohammed Galal Ali Fahmy	280,000	12,000	--	--	--	292,000	--	--	--	--	0	--	292,000	--

\*Membership ended on 12 May 2021  
\*\*Membership began on 13 May 2021

- Attract talented professionals and retain and motivate them without exaggeration.
- Be prepared in coordination with the Nomination Committee with regard to new appointments.
- Take into consideration situations where remuneration should be suspended or reclaimed if it is determined that such remuneration was set based on inaccurate information provided by a member of the Board or the Executive Management, in order to prevent abuse of power to obtain unmerited remuneration.
- Regulate the allocation of the Company's shares to the Board members and the Executive Management, whether newly issued or purchased by the Company.

The remuneration of Board and committee members includes the following:

- An annual performance-based bonus in accordance with the remuneration policy.
- Allowance for attendance in Board or committee meetings for each meeting, in addition to the disbursement of a transportation allowance and overnight allowance if the member's permanent residence is outside the city in which Board meetings are held.

With regards to Executive Management, eXtra's remuneration policy stipulates an annual performance-based bonus related to business and employee performance. The policy is designed to attract and retain the best talent and to motivate and raise the performance levels of eXtra's employees, allowing the Company to achieve its annual objectives. eXtra's remuneration policy aligns the Company with the best market practices and leaves it with a diversified compensation structure.

There are no material discrepancies between the stipulated compensations and the Company's remuneration policy.

## Board of Directors and related committees' remuneration

eXtra's remuneration policy was formulated in accordance with Companies Law provisions and the regulations of the Capital Market Authority. The policy rewards Board and committee members and the Executive Management team in a fair and equitable manner that aligns the aspirations of eXtra's officers with the company's objectives.

The Nomination and Remuneration Committee is responsible for preparing a clear policy for the remuneration of Board and committee members and the Executive Management, taking into account the following standards related to performance, disclosure, and verification of their implementation, as well as clarifying the relationship between the rewards granted and the remuneration policy in force and indicating any deviation. This is in addition to the periodic review of the remuneration policy to assess its effectiveness in achieving the objectives envisaged thereof, as well as to recommend to the Board the remuneration of Board and committee members and senior executives in accordance with the approved policy.

eXtra's Extraordinary General Assembly ratified the policy on 29 November 2017.

### The remuneration policy shall:

- Be consistent with the Company's strategy and objectives.
- Provide remunerations with the aim of encouraging Board members and Executive Management to ensure the Company's success and long-term development, linking the variable part of the remuneration to long-term performance, and determining remuneration based on the position, duties and responsibilities, educational qualifications, practical experience, skills and level of performance.
- Be consistent with the size, nature, and degree of the Company's risks.
- Take into consideration the practices of other companies in determining remuneration and avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations.

## COMMITTEE MEMBERS REMUNERATION (SAR)

Name	Fixed Remuneration	Attendance Allowance	Total
<b>Members of the Audit Committee</b>			
Mansour Abdul Aziz Rashid AlBosaily	120,000	12,000	132,000
Abdul Moaty Wasfy Abdul Kareem Abdul Hady*	80,000	3,000	83,000
Jasem Mohammed Shaheen Hamad Majed Al Romeihy	80,000	12,000	92,000
Mohammed Farhan Mohammed ben Nader	80,000	12,000	92,000
Mohamed Ibrahim AbdelAziz AlObeed*	--	9,000	9,000
<b>Total</b>	<b>360,000</b>	<b>48,000</b>	<b>408,000</b>
<b>Members of the Nomination and Remuneration Committee</b>			
Ahmed Yousef Ahmed AlSaqr	80,000	6,000	86,000
Abdullah Abdul Latif Ahmed Al Fozan**	43,871	--	43,871
Mansour Abdul Aziz Rashid AlBosaily	80,000	6,000	86,000
Abdullah Ali Ibrahim Almajdouie***	76,129	6,000	82,129
Khalid Malik Al Ghalib Al Sharif ***	50,753	6,000	56,753
<b>Total</b>	<b>330,753</b>	<b>24,000</b>	<b>354,753</b>

\*The Board of Directors accepted the resignation of Mr. Abdul Moaty Wasfy Abdul Hady from the Audit Committee effective from 7 March 2022, and Mr. Mohamed Ibrahim AbdelAziz AlObeed was hired as a member of the Audit Committee in his place effective from 7 March 2022. The hiring was approved by the General Assembly on 12 May 2022.

\*\*Membership ended on 12 May 2021

\*\*\*Membership began on 13 May 2021

## EXECUTIVE MANAGEMENT REMUNERATION

Details of the remuneration paid to the top five executives, including the Executive Board members and the CFO during 2022.

SAR Job Title	Fixed Remuneration			Variable Remuneration								
	Salary	Allowances	In-kind benefits	Periodic bonuses	Earnings	Short-term incentive plans	Long-term incentive plans	Shares granted (in value)	End of service bonus	Total	Grand total	
Top 5 Executives 1 (Incl. Executive-Board Member and CFO)	6,336,000	4,383,257	----	10,719,257	9,192,000	----	----	202,918	115,653,088*	125,048,006	292,000	136,059,263

\* This reflects the value of due shares through the year against the long term employees stock option program that was launched in 2018. The program supports the Company in delivering on its long-term strategic vision across all of its pillars, ensures alignment of management objectives while maximizing value for shareholders, and leaves it well-positioned to retain its team of professionals. The compensation mentioned falls between the period of 2019-2021.

No further allowances, in-kind compensation, or financial benefits beyond the amounts stated above were disbursed to the Board Members in exchange for any executive, technical, or advisory roles.

The Company has committed to disclose remuneration details for senior executives in accordance with the statutory requirements outlined in sub-paragraph B of Article 90, paragraph 4, of the Corporate Governance Regulations. To protect the interests of the Company, its shareholders, and employees, and to avoid any harm that may result from the disclosure, the details were not included in the Senior Executives Annex No. 1 of the Corporate Governance Regulations.



# CORPORATE GOVERNANCE STATEMENT

An efficient corporate governance framework is one that promotes effective decision-making and monitoring of a company's operations to safeguard shareholders' interests and create long-term sustainable value. The framework defines the duties and responsibilities of the various stakeholders, including the Board of Directors and its committees, management, shareholders, and other related parties. Decision-making procedures and regulations are also specified by the corporate governance framework.

eXtra has adopted a corporate governance framework that aims to apply best-in-class governance practices and safeguard stakeholders' interests, in accordance with the Capital Market Authority's Corporate Governance Regulations. The Company continuously updates the governance framework based on any amendments to the relevant laws or regulations. This commitment stems from its belief that an efficient governance framework is the cornerstone for the creation of long-term sustainable value. The rules, policies, and procedures stipulated by the Company's governance framework are binding on all the Company's Board and committee members, as well as the executive management and related parties.

Among the most prominent shareholders' rights within the Company's corporate governance framework, eXtra's shareholders have the right to appoint the Company's Board of

Directors and set their remuneration and nomination guidelines. Shareholders also have the right to form the Audit Committee and set its policies, regulations, procedures, and responsibilities, in addition to establishing guidelines for its members' nomination, terms of service, and remuneration. eXtra's shareholders exercise their right to appoint an independent auditor and ratify the Nomination and Remuneration Committee's policies, regulations, procedures, and responsibilities. Guidelines for the Nomination and Remuneration Committee members, their terms of service, and remuneration are similarly determined by eXtra's shareholders. Among the key responsibilities of the Board of Directors is setting the Company's strategic goals and providing effective leadership that ensures delivery on these strategies. The Board monitors the Company's management and submits periodic reviews to the shareholders.

eXtra's bylaws and governance frameworks provide for the fair treatment of all shareholders and respect all the rights associated with their holdings. Meanwhile, the Board of Directors guarantees that the relationship between the Company and its shareholders is built on a mutual understanding of the Company's goals and strategic objectives and is maintained without jeopardizing the Company's interests or violating the executive regulations issued by the Capital Market Authority.

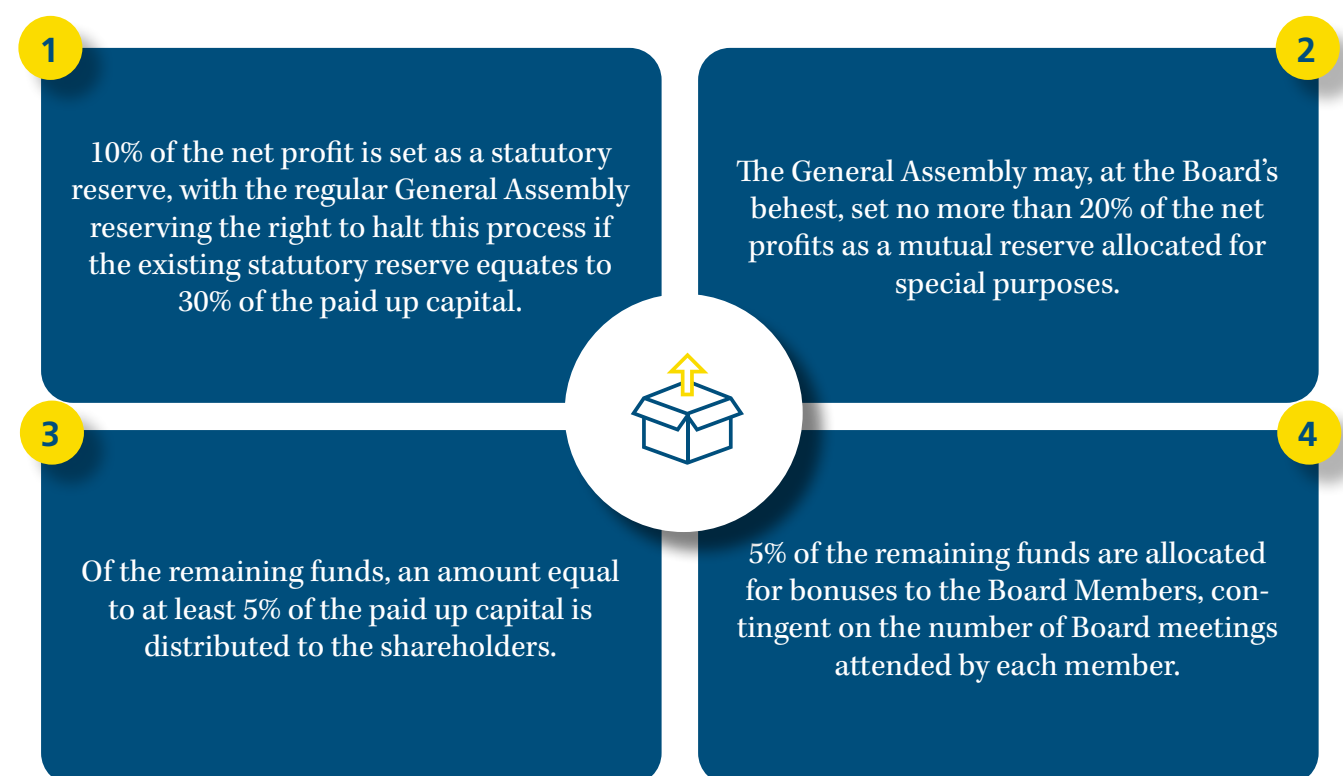
# COMPLIANCE

eXtra applies all provisions stipulated in the Capital Market Authority's Corporate Governance Regulations, except for those listed below:

Article Number	Article Text	Reasons for Not Applying
Article 67	Formation of a risk management committee	Guiding Article  The Board of Directors will form a Risk Management Committee whenever it deems it necessary.
Article 68	Responsibilities of the risk management committee	
Article 69	Meetings of the risk management committee	
Article 82/Paragraph 3	The establishment of social institutions for the company's employees	Guiding Article
Article 84	Social Responsibility	Guiding Article  eXtra's commitment to social responsibility is reflected in its participation in a number of social initiatives, the most prominent of which is the computer recycling project "Irtiqaa", through which the Company aims to promote a culture of environmental preservation.
Article 85	Social Work Initiatives	
		Guiding Article
Article 92	Formation of the Corporate Governance Committee	A separate governance committee has not been formed. However, to ensure oversight on the implementation of the governance mechanisms and rules, the responsibility for monitoring the implementation of the governance rules, verifying their effectiveness, and amending them when required has been added to the scope of Nomination and Remuneration Committee. This is in addition to following up on the governance requirements by the Board of Directors and Executive Management. The Board is to form the committee whenever deemed necessary.

# DIVIDEND POLICY

In accordance with Article 40 of the Company bylaws, the Company's annual net profits are distributed after deducting all general expenses and other costs as follows::



eXtra's General Assembly may authorize the Board to distribute dividends on an annual, semi-annual, or quarterly basis.

eXtra achieved a payment rate of 61% of total net income for the period between 2011 and 2022. Although the Company expects to distribute semi-annual cash dividends in accordance with current distribution practices, there are no guarantees that the profits will be distributed continuously. There are no guarantees of the value and percentage of profits for each year.

On 12 May 2022, the General Assembly voted to authorize the Board to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2022, as well as to determine the date of maturity and disbursement in accordance with the relevant regulatory controls and procedures, in line with the

Company's financial standing, cash flows, and expansionary and investment plans. eXtra has distributed cash dividends of around SAR 1,223.5 million since its listing on Tadawul in 2011.

Accordingly, on 7 March 2022, the Board of Directors opted to distribute SAR 150,000,000, or SAR 2.5 per share, as a cash dividend for the second half of 2021, representing 25% of the Company's share capital.

Furthermore, on 12 July 2021, the Board decided to distribute SAR 150,000,000, or SAR 2.5 per share, as a cash dividend for the first half of 2022, representing 25% of the Company's share capital.

## Earnings Paid vs. Net Income

Year	Net Income SAR	Dividends SAR	Payout Ratio	Dividend per Share SAR
2011	132	60	45%	2.5
2012	158.6	60	38%	2.5
2013	167.3	90	54%	3
2014	121	90	74%	3
2015	49.18	33	67%	1
2017	140.1	84	60%	2
2018	161.2	94	58%	2
2019	205.61	112.5	55%	2.25
2020	280.14	180	64%	3
2021	396.83	270	68%	4.5
2022	440.2	150	35%	2.5

## Bonus Shares (SAR mn)

Year	Ratio	Capital after increase	Capital before increase	Comments
2013	25%	300	240	One share for every four outstanding shares
2015	20%	360	300	One share for every five outstanding shares
2017	16.66%	420	360	One share for every six outstanding shares
2018	19.05%	500	420	One share for every seven outstanding shares*
2020	20%	600	500	One share for every five outstanding shares
2022	33.33%	800	600	0.28 shares for every outstanding share**

\*In 2018, 2 million shares were allocated to establish the Company's employee stock program (long-term incentive plan), representing 4.76% of the Company's capital, and 6 million shares were distributed as bonus shares to shareholders, one share for every seven outstanding shares, representing an increase of 14.29% of the Company's capital.

\*\*In 2022, 3.2 million shares were allocated to be added to the employee stock program (long-term incentive plan), representing 5.33% of the Company's capital, and 16.8 million shares were distributed as bonus shares to shareholders, 0.28 shares for every one outstanding share, which equates to seven shares for every 25 outstanding share, representing an increase of 28% of the Company's capital.



## RELATED PARTY TRANSACTIONS

Lessor	Description	Value SAR / Year	Start Date	Duration	Repayment
Abdul Latif & Mohamed AlFozan Co.	Warehouse Lease Contract - Dammam	480,000	1/1/2019	three years-renewed automatically	Yearly
	Land Lease Contract - Al Khobar	991,000	30/6/2003	25 Years	Two Payments
Madar Building Materials Co*	Warehouse Lease Contract - Jeddah	550,000	1/1/2011	One year-renewed automatically	Two Payments

\*Expenses related to lease contracts worth SAR 641,684 paid during 2022

### Leases to Related Parties

Lessor	Description	Value SAR	Start Date Year	Duration	Repayment
United Homeware Co. (NICE)*	Renting a sale space at the eXtra Swedy showroom in Riyadh	1,566,080	15/3/2016	10 Years	Semi-annual

\*Expenses related to lease contracts worth SAR 426,762 collected during 2022

### Other Transactions

1. On 1 April 2018, eXtra signed a service supply agreement with United Homeware, wherein eXtra provides support services to the company for an amount of SAR 1,069,221 during 2022.

2. eXtra has entered into a service provision agreement with Al Fozan Holding Company, wherein Al Fozan Holding Company will provide support services to eXtra beginning March 2013 for a monthly cost of SAR 1.

### Commercial Transactions

Commercial transactions comprise commercial-based dealings.

- Purchases from United Homeware Company worth SAR 116,372.
- Sales to Al Fozan Holding Group worth SAR 359,279.
- Sales to Retal Real Estate Development worth SAR 626,545.
- Transactions with United Homeware Company SAR 1,671,248.

- Purchases from Madar Hardware Company worth SAR 1,001,472.
- Transactions with Madar electric SAR 20,608.

Transactions with related parties were conducted on terms that are not different from transactions with ordinary commercial debtors and creditors and held no special benefits. Some of these contracts have been agreed upon from previous years and are an extension of ongoing relationships that started before FY2022. The External Auditor's report on these transactions will be presented at the first General Assembly meeting of shareholders during the first half of 2022 in accordance with company guidelines.

The following table includes the Board members with interests in the above-mentioned contracts and transactions:

Company Name	Board Member
Abdullatif & Mohamed Al Fozan Co.	
Madar Building Materials Co.	
Madar Electric Company	Fozan Mohammed Al Fozan
Madar Hardware Company	Abdullatif Ali Al Fozan
United Homeware Company	
Retal for Real Estate Development	
	Fozan Mohammed Al Fozan
Al Fozan Holding Group	Abdullatif Ali Al Fozan Adel Merheb

### Competition Transactions

There are no businesses that compete with the Company or any of the branches of the activity it is engaged in and which any member of the Board of Directors is or was engaged in competition business.

## SUBSIDIARIES

The following table shows eXtra's subsidiaries, its equity capital, equity share, its main activity, the country in which it conducts its operations, and the country of incorporation as of December 31, 2022.

Company Name	Equity Capital	Equity Share	Main Activity	Country of Operation	Country of Origin
United Company for Maintenance of Computers and Electronics	SAR 300,000 divided into 3,000 shares at par value SAR 100 each	99% eXtra – KSA 1% eXtra – Bahrain	Maintenance of electronics, household appliances, and computing devices. Electronics, digital and computing retail, in addition to Food and beverage and home improvement products.	KSA	KSA
United Company for Electronics (eXtra) – Bahrain	BHD 500,000 divided into 5,000 shares at par value BHD 100 each	100% eXtra – KSA	Import and export of electronics and spare parts in addition to gaming and software. Managing and developing assets for overseas expansion.	Bahrain	Bahrain
United Company for Electronics (eXtra) – Oman	OMR 250,000 divided into 25,000 shares at par value OMR 1 each	99% eXtra – KSA 1% eXtra – Bahrain	Wholesale and retail trade of electronics, gaming, computing, and spare parts, as well as educational media.	Oman	Oman
eXtra Electronics	EGP 50,000,000 divided into 5,000,000 shares at par value EGP 10 each	99.8% eXtra – KSA 0.2% eXtra – Bahrain	Wholesale and retail sale of electronics and related repairs, maintenance, and other technical support	Egypt	Egypt
eXtra for Import of Electronics and Equipment	EGP 2,000,000 divided into 200,000 shares at par value EGP 10 each	99% eXtra – Egypt 1% eXtra – KSA	Import, export, and wholesale and retail trade of electronics	Egypt	Egypt
United International Holding Company	SAR 250,000,000 divided into 25,000,000 shares at par value SAR 10 each	99% eXtra – KSA 1% eXtra – Bahrain	Managing sister companies and implementing investment partnerships in real estate and other securities	KSA	KSA
United Company for Financial Services	SAR 350,000,000 divided into 35,000,000 shares at par value SAR 10 each	100% United International Holding Company	Shariah-compliant consumer financing	KSA	KSA
Procco for financial services	BHD 700,000 divided into 7,000 shares at par value BHD 100 each	100% United International Holding Company	Other activities auxiliary to financial services activities – companies (Institutions) supporting the financial sector – issuance and processing of cards	Bahrain	Bahrain

## SHAREHOLDER & INVESTOR INFORMATION

### Paid-In Capital and Share Information

The total amount of equity capital invested in the company is SAR 800 million, with a total of 80 million shares at a par value of SAR 10 per share.

On 5 October 2022, eXtra's EGM approved increasing the Company's paid-in capital by 33% in order to support the Company's financial position. As such, the Company's paid-in capital rose from SAR 600 million to SAR 800 million, and the number of shares rose from 60 million shares to 80 million shares.

### Treasury shares maintained by the Company and their utilization

Treasury shares maintained by the company as at 31 Dec	Value	Date of maintenance	Utilization
4,815,781	40,815,781 SAR **	18 September 2018*	Employee Stock Option Plan (Long-term incentive)

\*The Employee Stock Option Plan (long-term incentive) was established in 18 September 2018 as per the EGM approval.

· During 2022, paid-in capital was increased from 60 million shares to 80 million shares as per the EGM held on 5 October 2022. 3.2 million shares were allocated to the Employee Stock Option Plan (long-term incentive).

\*\* Par value of shares



## Changes in Equity Shareholding During FY2022

### Changes in Equity Shareholding of Board Members and Their Spouses and Minor Children

#	Name	Nationality	# of Shares Beginning 2022	# of Shares End of 2022	% Change	1 <sup>st</sup> Degree Relatives Ownership		Debt Instruments
						# of Shares Beginning 2022	# of Shares End 2022	
8	Abdul Jabar Abdul Rahman Mohammed al Abdul Jabar	Saudi	-	-	-	-	-	-
2	Abdullah Ali Ibrahim Almajdouie	Saudi	1,000	1,280	28%	-	-	-
3	Mansour Abdul Aziz Rashid AlBosaily	Saudi	1,598	2,045	28%	-	-	-
4	Ahmed Yousef Ahmed AlSaqr	Kuwaiti	2,400	3,072	28%	-	-	-
5	Ali Mohamed Ali Faramawy	Canadian	-	-	-	-	-	-
6	Khalid Malik Al Ghalib Al Sharif	Saudi	-	-	-	-	-	-
7	Mohammed Galal Ali Fahmy	Egyptian	751,618	2,243,351	198%	-	-	-
8	Fozan Mohammed Al Fozan	Saudi	1,920	2,457	28%	-	-	-
9	Adel Omar Al Farouq Merheb	Lebanese	-	-	-	-	-	-

### Changes in Equity Shareholding of Executive Management and Their Spouses and Minor Children

#	Name	Position	# of Shares Beginning 2022	# of Shares End of 2022	1 <sup>st</sup> Degree Relatives Ownership	Debt Instruments
1	Mohammed Galal Ali Fahmy	CEO and MD	751,618	2,243,351	-	-
2	Wael Mohamed Mohamed Khalil	CFO	14,191	4,134	-	-

## Changes in Major Equity Shareholders

The following table shows the change in ownership of major shareholders holding equity stakes in excess of 5% of the Company's paid-in capital.

Shareholder	01/01/2022		31/12/2022	
	Shares	Percentage	Shares	Percentage
Al Fozan Holding Group	17,791,430	29.65%	18,946,113	23.68%
United Electronics Company (eXtra)	2,481,784	4.14%	4,815,781	6.02%

On 5 October 2022, eXtra's EGM approved increasing the Company's paid-in capital by 33% in order to support the company's financial position. As such, the company paid-in capital rose from SAR 600 million to SAR 800 million, and the number of shares rose from 60 million shares to 80 million shares.

## Shareholder Engagement and Rights

### Actions Taken by the Board to Inform Its Members about Shareholders' Proposals and Their Observations Regarding the Company and its Performance

If the Board of Directors receives any proposals from the shareholders or comments about the Company and its performance, those matters are to be discussed during the first subsequent Board meeting where these observations are taken into consideration. The Board did not receive any suggestions or observations from the shareholders regarding the company and its performance during the year ended 2022. It is noteworthy that the Investor Relations Department convenes with the shareholders and investors according to a set schedule throughout the year to review the Company's operational developments. During periodic Board meetings, the

Chairman and CEO inform the members of the Board about the recommendations and remarks made by the shareholders and investors. Article 33 of the Company Charter outlines the procedures that ensure the right of each shareholder to enquire with Board Members and the corporate auditor regarding issues outlined in the General Assembly's agenda. The Board and the corporate auditor may respond to any given shareholder in a manner that does not compromise the Company. Should any shareholder determine that their concerns have not been sufficiently addressed, the General Assembly will issue the final ruling on the matter of concern.

## Shareholder Register Retrievals

Throughout 2022, the company retrieved 16 requests for shareholder registers through the TADAWULATY service as presented in the table below:

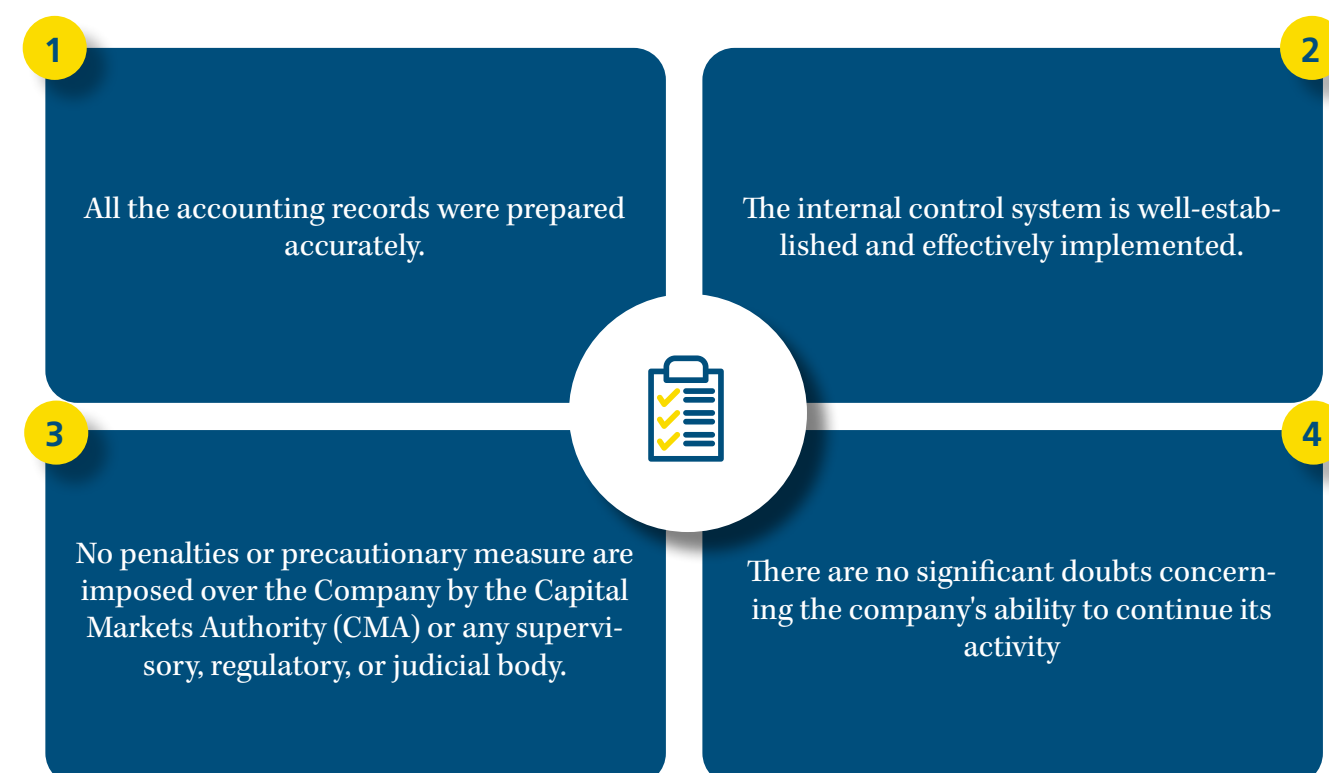
Date of request	Reason for request
18/04/2022, 15/08/2022	Dividends File
12/05/2022, 05/10/2022	General Assembly
04/12/2022, 13/11/2022, 17/10/2022, 04/09/2022, 02/08/2022, 04/07/2022, 02/06/2022, 04/04/2022, 02/03/2022, 10/02/2022, 02/02/2022, 03/01/2022	Relations Purposes Investor

# COMPANY DISCLOSURES ON TADAWUL

Disclosure no.	Disclosure date	Headline
1	10/1/2022	United Electronics Company (Extra) announces the Estimated financial results for the period ending 31-12-2021 (Twelve Months)
2	16/2/2022	United Electronics Company (Extra) announces full year financial results for the period ending 31-12-2021
3	8/3/2022	United Electronics Company (Extra) announces the distribution of cash dividends to shareholders for the second half of the fiscal year 2021
4	8/3/2022	United Electronics Company (Extra) announces the resignation of Audit Committee member and the hiring of a replacement
5	9/3/2022	Follow up announcement by United Electronics Company (Extra) regarding the distribution of cash dividends to shareholders for the second half of the fiscal year 2021
6	31/3/2022	United Electronics Company (eXtra) Invites Its Shareholders to attend The Ordinary General Assembly Meeting (First Meeting) by Means of Modern Technology
7	11/4/2022	United Electronics Company (Extra) announces the Estimated financial results for the period ending 31-03-2021 (Three Months)
8	13/4/2022	United Electronics Company (Extra) announces amending the date of the Ordinary General Assembly (First Meeting), and the addition of the Assembly's agenda
9	25/4/2022	United Electronics Company (eXtra) announces the opening of a new showroom in the Governorate of Asir
10	28/4/2022	United Electronics Company (Extra) announces the Interim financial results for the period ending 31-03-2021 (Three Months)
11	15/5/2022	United Electronics Company (eXtra) announces the results of the Ordinary General Assembly (First Meeting)
12	18/7/2022	United Electronics Company (Extra) announces the Estimated financial results for the period ending 30-06-2021 (Six Months)
13	9/8/2022	United Electronics Company (eXtra) announces the interim financial results for the period ending on 30-6-2021 (Six Months)
14	9/8/2022	United Electronics Company (eXtra) announces the Board of Directors' recommendation of increasing paid-in capital through share increases
15	9/8/2022	United Electronics Company (Extra) announces the Board of Directors' decision to distribute cash dividends to shareholders for the first half of the fiscal year 2022
16	13/9/2022	United Electronics Company (eXtra) Invites Its Shareholders to attend The Extraordinary General Assembly Meeting to discuss increasing the company's paid-in capital (First Meeting) by Means of Modern Technology
17	6/10/2022	United Electronics Company (eXtra) announces the results of the Extraordinary General Assembly (Second Meeting) which included approving increasing the company's paid-in capital
18	10/10/2022	United Electronics Company (Extra) announces the estimated financial results for the period ending on 30-9-2022 (Nine Months)
19	19/10/2022	United Electronics Company (Extra) announces the deposit of the amounts related to the sale of share fractions resulting from the paid -in capital increase to the accounts of eligible shareholders
20	30/10/2022	United Electronics Company (Extra) announces the interim financial results for the period ending on 30-9-2022 (Nine Months)
21	20/12/2022	United Electronics Company (Extra) announces the resignation of Board of Directors member

## DIRECTORS' RESPONSIBILITY

The Board of Directors asserts the following:





# CLOSING STATEMENT

eXtra began its journey in 2003 with a single branch in Riyadh. Twenty years of success later, we continue to diligently serve our customers, offering them the most state-of-the-art electronics and household appliances and extending the limits of our success ever further. This could not have been accomplished without the blessing of Allah and the enduring trust of our customers.

We reaffirm our dedication to providing our customers with the highest quality of service. We, at eXtra, appreciate the support customers exhibit by putting their trust in us and enabling us to maintain our position as the retailer of choice for electronics and household appliances.

**Abduljabbar Al Abduljabbar**

Chairman of the Board

**Mohamed Galal Ali Fahmy**

Managing Director and CEO



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