



Driving Innovation
Creating Experiences



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



Table of contents

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

INTRODUCTION

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, the region's most innovative fintech company, leverages fintech tools to offer a wide range of tailored financial services.



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

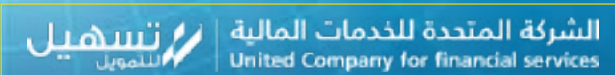
Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



At a Glance

eXtra stands as a frontrunner in the GCC's consumer electronics sector, merging an innovative retail offering with bespoke consumer finance solutions. With a track record of excellence spanning two decades, our omnichannel approach and our fintech subsidiary, Tas'heel, deliver unparalleled customer experiences in the consumer electronics landscape.



Today, The United Electronics Company (eXtra) boasts a vast retail footprint exceeding 140,000 sqm across strategic locations in Saudi Arabia (KSA), Bahrain, and Oman. The Company continues to spearhead innovation, focusing on generating substantial value through its one-stop-shop solution and pioneering consumer financing platform, ultimately shaping unique customer journeys in the dynamic consumer electronics landscape.

Over the past year, the Company reinforced its commitment to excellence by offering a diverse range of products, such as smartphones, white goods, and computers, continuously raising the bar in the consumer electronics market by ensuring that all the latest customer requirements are readily available. Additionally, by utilizing its extensive network of physical stores, e-commerce, after-sales services, and fintech platform, eXtra has effectively set itself apart by enhancing key aspects of the retail value chain, ensuring the delivery of a superior customer experience. One of the cornerstones of eXtra's focus on customer satisfaction and its ability to position the Company across key points in the retail value chain is its unmatched warranty programs and after-sales services, which is provided through its consolidated after-sales platform, Extra Service. Drawing upon five technical centers, 13 workshops, and a team of over 300 highly skilled professionals, Extra Service ensures customers benefit from comprehensive maintenance services, technical support, and customizable extended warranty programs tailored to individual preferences.

Parallel to this, eXtra's ability to cater to a wide range of customer needs across the consumer electronics space is also owed to its innovative consumer financing platform, United Company for Financial Services (Tas'heel), which is managed by eXtra's consumer finance arm United International Holding Company. Tas'heel has quickly established itself as the most successful fintech platforms in the KSA. In 2023, Tas'heel continued to pioneer integrated, digital, and customized financial solutions for a growing customer base, and it has remained committed to delivering a seamless end-to-end digital journey, harnessing fintech tools to deploy innovative solutions for loan processing that empower the people eXtra aims to serve. As of year-end 2023, Tas'heel proudly manages a robust portfolio of SAR 1.9 billion, serving an active customer base that exceeds 150,000 clients. Moreover, Tas'heel's top line expanded by 25.6% year-on-year (y-o-y), reaching SAR 523.9 million, and delivered a net income increase of 9.7% y-o-y to SAR 212.4 million, contributing 54% to eXtra's consolidated net income in FY2023.

At the consolidated level, eXtra witnessed a solid performance in FY2023 and continued to maintain its leading market position in the consumer electronics segment, a testament to the success of eXtra's customer-centric approach and exceptional product and service offerings across all business lines. In terms of top-line performance, eXtra booked an increase of 2.8% y-o-y to SAR 6,201 million in FY2023.



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, 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

21

Years of Operation

53

Stores in 31 Cities

3

Countries including KSA, Bahrain, and Oman

6,201 MN SAR

Revenue (up 2.8% y-o-y)

2.0 BN SAR

Consumer finance Portfolio

390.5 MN SAR

Net Income (down 11.3% y-o-y)

14 MN

Annual Shoppers

+150K

Active Consumer Finance Customers

+3,000

Highly Trained and Dedicated Employees



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

2023 Highlights

2023 marked another successful year for eXtra. During 2023, eXtra's revenues exceeded SAR 6.2 billion, and the Company's bottom line reached SAR 390.5 million. The Company's FY2023 strong results came on the back of a continued focus on customer centricity, coupled with an unwavering commitment to operational excellence. Meanwhile at Tas'heel, eXtra's consumer financing subsidiary continued to build on its strong momentum and achieved solid results, which supported the profitability and sustainable growth of eXtra's business.

Rapid and Consistent Growth in Profitability		
Revenues	SAR 6,201 million,	▲ 2.8% y-o-y
Gross Profit	SAR 1,362 million	▲ 7.7% y-o-y
Net Profit	SAR 390.5 million	▼ 11.3% y-o-y

Strong and Liquid Balance Sheet		
Total Assets	SAR 4,442 million	▲ 11.9% y-o-y
Cash & Cash Equivalents	SAR 151.3 million	▲ 3.1% y-o-y
Equity	1,284.4 million	▲ 12.7% y-o-y
Debt to Equity	1.1	

A Pioneering Digital Retailer	
Digital Revenue Contribution	+20%

KSA's Fastest-Growing Fintech Company		
Tas'heel Loan Portfolio	SAR 1,931 million (2022: SAR 1,601 million)	▲ 20.6% y-o-y
Tas'heel Net Profit	SAR 212.4 million (2022: SAR 193.6 million)	▲ 9.7% y-o-y
Tas'heel Active Customer Base	+150K	

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Chairman's Note

As we reflect on 2023, eXtra has navigated a year of significant transformation and achievement. Amid a global economic landscape marked by challenges and opportunities, we are proud to report a solid top-line growth of 2.8%, culminating in revenues reaching SAR 6.2 billion. This growth underscores our resilience and adaptability in a rapidly evolving market. Our journey through 2023 has seen us continue delivering on our strategies, customer-centric innovations, and steadfast commitment to our long-term vision. While the first half of the year presented unique challenges, our robust performance in the second half of the year demonstrates the effectiveness of our strategic initiatives and the dedication of our team. As we forge ahead, we remain focused on sustaining this momentum and driving eXtra toward new heights of success and innovation.

In the first half of 2023, eXtra faced significant challenges, reflective of the broader economic environment in KSA, as well as the broader region, with regards to shifts in consumer habits. This shift in consumer spending habits saw a greater share of expenditure toward hospitality and entertainment, impacting the demand for consumer electronics. Additionally, the rise in borrowing costs witnessed over the past two years has led to increased mortgage payments, further influencing consumers' purchasing power and discretion in electronic purchases. These factors collectively presented a unique set of challenges, requiring us to adapt and innovate in response to the evolving market dynamics.

Despite facing market headwinds in the initial half of 2023, eXtra's agility and robust business model enabled us to face these challenges head on, culminating in an improved performance compared to the second half of 2022. This recovery, contributing to our enhanced top-line growth for the fiscal year, was underpinned by our enhanced e-commerce offering on the back of the new website and mobile app, in addition to our exceptional after-sales services, which enabled us to deliver solid results. Moreover, eXtra's retail strategy, which is centered around leveraging our omnichannel platform and maximizing the value generated from Extra Services, has positioned us favorably to capture a broader customer base and grow eXtra's market share. Parallel to this, our omnichannel approach, integrating both online and offline experiences, has been pivotal in reinforcing eXtra's market position and customer satisfaction levels, as we have continuously innovated to enhance our customer journeys, ensuring that every interaction with eXtra is seamless, engaging, and rewarding.

In addition to the performance of our retail activities, eXtra's results were further bolstered by Tas'heel, our fully owned

consumer finance platform. Tas'heel has rapidly established itself as one of the fastest growing and most innovative fintech entities in the kingdom, leveraging cutting-edge technology to offer seamless consumer financing solutions. These solutions have been tailored to meet the diverse needs of our extensive customer base, contributing markedly to eXtra's profitability. With a total loan portfolio size of SAR 1.9 billion and financing since inception amounting to SAR 5.3 billion, Tas'heel has been instrumental in enhancing our financial performance, and its strategy has focused on capitalizing on the kingdom's growing consumer financing market, augmenting eXtra's overall offering. Tas'heel's success is a testament to our ability to identify and develop products that resonate with our customers, further solidifying our position as a market leader. Through Tas'heel, eXtra has been able to tap into new customer segments, providing them with flexible financing options that have, in turn, driven sales across our product range. This integration of retail and financing solutions exemplifies our commitment to innovation and customer satisfaction, setting us apart in the competitive landscape.

Tas'heel's success is a testament to eXtra's ability in delivering enhanced and innovative service offerings that fulfill the needs of customers, solidifying our position at the forefront of the market. Additionally, through the products and services offered by Tas'heel, eXtra was able to expand its customer reach, serving a wider customer base by providing them with flexible financing services, which ultimately led to an increase in the sales of various products. This reflects the synergy between eXtra's retail solutions and its financing solutions, as well as our commitment to providing innovative solutions that serve the needs of customers, and consolidate eXtra's leading market position.

Looking ahead to 2024 and beyond, eXtra is poised to further transform the consumer electronics retail experience in KSA. Our strategic alliance with Panda and the launch of our new loyalty program, Jood, are expected to significantly contribute to our performance in the coming year. These initiatives reflect our continuous endeavor to enhance customer engagement and expand our market presence. The strategic alliance between eXtra and Panda, which will operate under the brand name "cliX," is a cornerstone of our growth strategy, signifying a new era of collaboration and innovation in the retail sector. This alliance sees eXtra leveraging Panda's extensive network, one of the largest grocery retailers in KSA, to expand our market reach and deepen our customer engagement.

Under this alliance, eXtra will offer its products in 61 Panda hypermarket's and 118 Panda supermarkets, which

As we close another year at eXtra, I extend my heartfelt gratitude to our dedicated team, loyal shareholders, and valued customers. Your unwavering support and commitment have been instrumental in navigating the challenges and seizing the opportunities of 2023.



form Panda's 179-store network across the Kingdom. This integration allows us to tap into Panda's vast customer base, introducing our range of electronics and appliances to a broader audience. The presence in Panda stores not only increases our brand visibility but also provides convenience to customers, allowing them to access our products in even more locations. This collaboration is a strategic move toward synergizing with leading brands to drive mutual growth and represents our commitment to finding innovative ways to reach new customers and enhance their shopping experience.

In addition to our collaborations, which continue to reinforce eXtra's position as a leader in the GCC region, we are also excited to announce the introduction of our new store concepts. These modern, tech-focused stores are designed with superior customer experiences in mind, enabling customers to browse, purchase, and order items directly from the store right to their doorstep using digital tools. This innovative approach to retail not only enhances the shopping experience but also aligns seamlessly with our omnichannel strategy, providing customers with a cohesive and engaging journey whether they shop online or in-store.

In line with our strategic vision and future ambitions, eXtra has submitted a request to the relevant regulatory authorities regarding an Initial Public Offering (IPO) for its subsidiary United International Holding Company, which owns United Company for Financial Services (Tas'heel). This strategic step not only highlights our commitment to enhancing the Company's financial position but is also an embodiment of our dedication to achieving our long-term goals while simultaneously enhancing shareholder value.

The strategic decisions we execute and the directions we take



as an entity are crucial to eXtra's long-term success, and this includes not only entering promising alliances but exiting ones that have not yielded their anticipated results. On that front, we have taken the careful decision to exit the Egyptian market due to the country's current challenging macroeconomic landscape. While our venture into Egypt did not progress as planned, it provided us with valuable insights. As we move forward, our focus remains on strengthening our core operations in the Saudi market, capitalizing on strategic alliances, such as Panda, and exploring new, promising avenues for growth. As such, eXtra will continue to seek opportunities that align with our strategic objectives and core values, ensuring sustainable growth and value creation for our shareholders.

As we close another year at eXtra, I extend my heartfelt gratitude to our dedicated team, loyal shareholders, and valued customers. Your unwavering support and commitment have been instrumental in navigating the challenges and seizing the opportunities of 2023. Looking forward, we are poised for continued success with strategic initiatives that promise to further enhance our market presence and customer engagement, and we remain committed to driving value and advancing our mission.

Abduljabbar AlAbduljabbar
Chairman of the Board

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

BUSINESS OVERVIEW



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Our Markets



Saudi Arabia (KSA)

As a key member of the G20, KSA stands at the forefront of the economic stage in the Middle East and North Africa (MENA) region, as well as the Gulf Cooperation Council (GCC), and ranks among the top 20 global economies with a GDP estimated at USD 1.07 trillion as of 2023¹. Demographically, KSA possesses a strategic advantage, with 63% of its population falling below the age of 30, and its total population is expected to reach 50 million by 2030², creating an ideal environment for the consumer electronics space. Moreover, urbanization is a dominant trend in the kingdom, with approximately 85% of the population residing in urban areas, supported by an impressive literacy rate exceeding 96%.³ This favorable environment has led to increased digital engagement, indicating a significant opportunity for businesses in the digital landscape. Additionally, the Kingdom's inflation rate currently stands at 1.5%, one of the lowest inflation rates in the world during a period of strong global inflationary pressures. Accordingly, KSA's favorable demographics, coupled with its strong macroeconomic fundamentals, make the Kingdom one of the most attractive investment destinations in the world today.

The market outlook is promising, with a forecasted home ownership rate of 70% by 2030 and continued growth in consumer spending, which booked a 6.7% y-o-y increase in 2023⁴. As of September 2023, the labor force participation rate stood at 60.9%, accompanied by a significant influx of foreign national workers, totaling 8.2 million in Q3 2023. This combined effort has led to a notable decrease in the overall unemployment rate, which stands at 5.1% as of September 2023. Particularly noteworthy is the unprecedented decline in the unemployment rate for women, which dropped significantly to 13.7% in Q3 2023.⁵ Parallel to this, the Kingdom is spearheading mega greenfield projects in the GCC, contributing to approximately 56% of the total value, standing at USD 2.8 trillion, fueling the growth of the kingdom's capital expenditure and furthering its efforts to maximize the value generated by the Saudi economy.

In the digital landscape, KSA's e-commerce sector has undergone significant expansion, securing its position as one of the world's most prominent markets, with an estimated size of USD 13.61 billion in 2024, and is expected

to reach USD 27.37 billion by 2029. A noteworthy trend is the increasing prevalence of digital payments, supported by an impressive internet penetration rate of 99%, surpassing global averages. This positive market outlook underscores KSA's substantial growth potential in the e-commerce sector.

KSA's economy is currently undergoing a profound transformation, driven by the nation's strategic commitment to fostering innovation and entrepreneurship, aimed at diminishing its historical reliance on oil. This deliberate shift is epitomized by the ambitious Vision 2030 strategy, which has propelled the Kingdom toward substantial advancements in reshaping its economic landscape, diversifying its income sources, and bolstering its overall competitiveness. As an integral facet of this transformative journey, KSA has systematically dismantled regulatory barriers, creating a more inclusive labor force and fortifying its domestic economic foundations. Simultaneously, the nation has embraced digitalization, with the digital sector emerging as a significant catalyst for the country's overall economic growth. This digital shift has not only heightened productivity across various sectors but has also streamlined government operations and facilitated financial inclusion. Additionally, the Saudi Government increased its focus on the entertainment and tourism sectors, with several major projects, such as the Riyadh Season and NEOM, aimed at raising the profile of the Kingdom and attracting new and more diverse revenue streams.

Notably, amid these comprehensive changes, the non-oil economy has experienced an impressive 6% expansion in 2023. This growth underscores the efficacy of the implemented reforms, affirming KSA's commitment to creating a diversified and resilient economic framework. The newfound strength in the non-oil sector positions the Kingdom favorably, signaling its ability to navigate economic challenges and thrive in a future landscape that is less exposed to the uncertainties of oil prices.

Consumer spending in Saudi Arabia exhibited resilience, registering an 8% growth, amounting to SAR 111.5 billion in November 2023, compared to SAR 103.3 billion in the same

month last year, as reported by the Saudi Central Bank's (SAMA) monthly bulletin. Notably, KSA boasts the lowest inflation rate in the GCC at 1.5%, the lowest among peers, and is set to maintain this trajectory going forward, which should bode well for consumer electronics spending.

With the removal of Covid-19-related social restrictions in 2022 sparking a notable transformation in consumer

spending habits, particularly toward increased spending in the entertainment sector, which have captured an increasing share of the purchasing power of consumers, thus negatively impacting consumer spending levels when it comes to consumer electronics. However, the future outlook for the sector is positive, as the kingdom's ambitious growth targets and its economic diversification strategy are expected to have a positive impact on the sector.



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

¹IMF: <https://www.imf.org/en/Countries/SAU>

²MiddleBerry: Microsoft Word - WP- Saudi Arabia's Vision 2030- Derendinger & Frank .docx (middlebury.edu)

³Un Habitat: Country Profile Saudi Arabia English.pdf (unhabitat.org)

⁴PwC: Transforming the Housing Sector in Saudi Arabia (pwc.com)

⁵General authority for Statistics: LMS Q3_2023_PR_EN Press Release_0.pdf (stats.gov.sa)

⁶ECDB: eCommerce Market Saudi Arabia - Data, Trends, Top Stores | ECDB.com (ecommercedb.com)

⁷Reuters: Saudi non-oil GDP seen at around 6% in 2023 and beyond -finance minister | Reuters

⁸Argaam: <https://www.argaam.com/en/article/articledetail/id/1695276>

⁹IMF: <https://www.imf.org/en/Countries/SAU>

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman’s Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director’s Responsibility

Our Markets



Oman

Oman's economic landscape is marked by a resilient recovery, driven by favorable oil prices and steadfast structural reforms in line with the country's Vision 2040 strategy. The International Monetary Fund (IMF) anticipates economic growth to slow down to 1.3% during the current year, a notable decrease from the 4.3% recorded in 2022. However, a positive trajectory is expected, with a forecasted rebound to 2.7% in 2024, propelled by increased hydrocarbon output and robust non-oil growth.

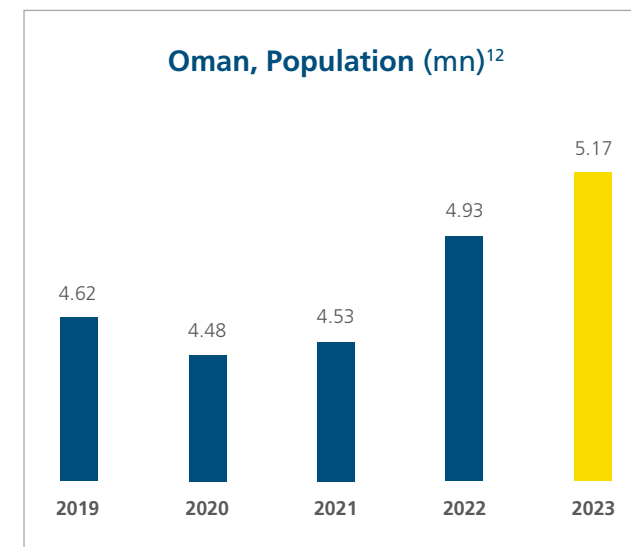
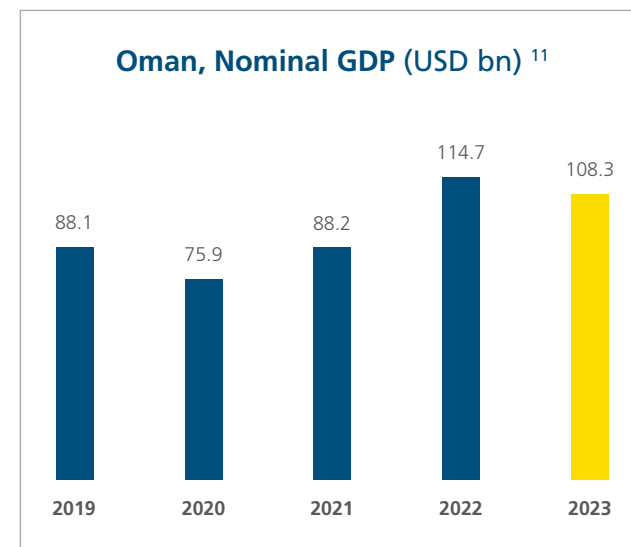
Despite a dip in growth to 2.1% in the first half of 2023 due to OPEC+-related oil production cuts, non-hydrocarbon sectors surged by 2.7%, fueled by recovering agricultural and construction activities, alongside a resilient services sector. The government's commitment to structural reforms under Vision 2040 is fostering inclusive growth, job creation, and resilience amid global uncertainties. Moreover, prudent fiscal management, coupled with elevated oil prices, has resulted in surpluses in both fiscal and current account balances. Notably, public debt has significantly decreased,

leading to an upgraded sovereign credit rating. Despite the economic slowdown in 2023, fiscal and current account balances are expected to remain in surplus, albeit gradually diminishing with oil price fluctuations.

Meanwhile, Oman's exchange rate peg serves as a reliable monetary anchor, supported by ongoing efforts to enhance the monetary policy framework. The banking sector demonstrates resilience with recovered profitability, robust capital and liquidity ratios, and strong asset quality.

Looking ahead as Vision 2040 implementation continues, alongside the continued progress in labor market flexibility, improved working conditions and initiatives fostering an enabling business environment are anticipated to bode well for Oman's economy over the coming years.

Since commencing its Omani operations in 2013, eXtra has launched three stores in the Sultanate, with a combined retail space of 8,300 sqm.



¹⁰IMF: <https://www.imf.org/en/News/Articles/2022/11/15/pr22386-oman-imf-executive-board-concludes-2022-article-iv-consultation-with-oman>
¹¹National Center for Statistics and Information: <https://www.ncsi.gov.om/>



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman’s Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director’s Responsibility

Our Markets



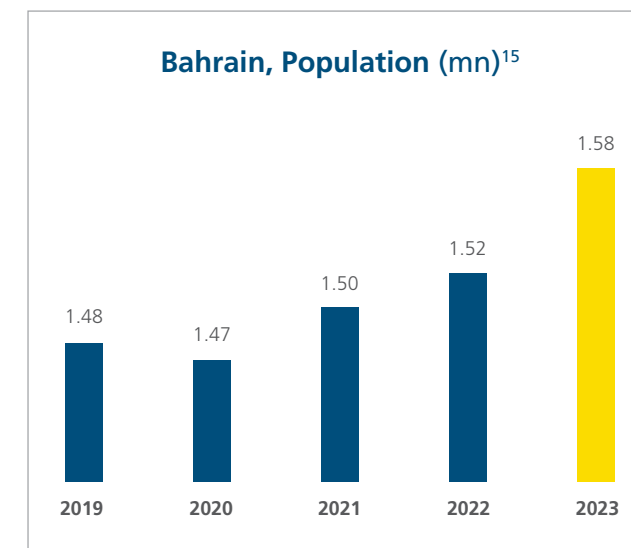
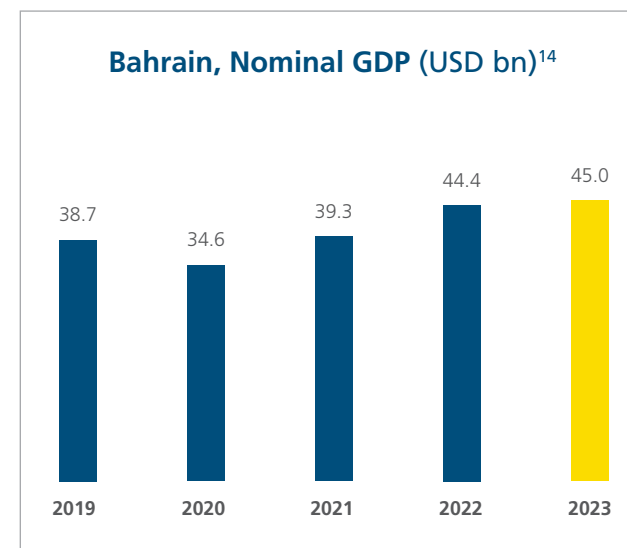
Bahrain

Bahrain

Bahrain’s GDP is projected to achieve a growth rate of 2.8% in 2023, propelled by a non-oil GDP expansion of 3.3%. This growth is attributed to a combination of fiscal consolidation and higher interest rates. Following the robust growth experienced in 2022, driven by the stellar performance of non-oil sectors, including non-hydrocarbon manufacturing, the economy is expected to exhibit a more measured

pace. The retail, trade, and hospitality sectors have provided additional support to this noteworthy recovery.

eXtra initiated its business operations in Bahrain in 2013, marking the Company’s initial expansion beyond its native Saudi market. Presently, the Company operates two stores in Manama, collectively spanning over 4,500 sqm.



¹³IMF: www.imf.org/en/News/Articles/2023/07/11/pr23260-bahrain-imf-exec-board-concluded-2023-article-iv-consultation

¹⁴IMF: <https://www.imf.org/en/Countries/BHR>

¹⁵Information and eGovernment Authority: <https://www.data.gov.bh/explore/dataset/03-mid-year-population-by-nationality-and-sex/table/?disjunctive.sex&sort=-year>



Our Network

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

48

Branches in **28** Saudi Cities

3

Branches in the Sultanate of Oman

2

Branches in Bahrain

City	Number of Branches	City	Number of Branches
Riyadh	9	Jubail	1
Jeddah	6	Jazan	1
Mecca	3	Najran	1
Madinah	2	Sakaka	1
Dammam	2	Tabuk	1
Al Ahsa	2	Taif	2
Al Khobar	2	Unaizah	1
Abha	1	Yanbu	1
Khamis Mushait	1	Al Majma'ah	1
Kharj	1	Dawadmi	1
Qanfaza	1	Arar	1
Al Bahah	1	Mahayel Aseer	1
Bisha	1	Muscat – Oman	2
Al Qassim	1	Sohar – Oman	1
Hafar AL Batin	1	Manama – Bahrain	2
Hail	1		



53

Branches



Our Lines of Business

eXtra has strategically positioned itself as a one-stop shop in the consumer retail landscape with its comprehensive product offering and customer-centric approach, ultimately ensuring a seamless customer experience.

Retail

For over 20 years, eXtra has built a reputation as one of the market's most innovative electronics retailers, and today, the Company continues building on its position as the region's flagship electronics destination for customers seeking world-class products and services. The Company's expansive on-the-ground presence facilitated the service of 14 million shoppers in 2023 across its megastores situated throughout KSA, Bahrain, and Oman. eXtra provides unmatched access to an extensive range of products through its national network of megastores, which includes a footprint covering 53 physical stores across 31 cities, coupled with innovative e-commerce capabilities.

Complementing its bricks-and-mortar footprint, eXtra's fully integrated digital platform has rapidly evolved into an essential component of the business. In 2023, eXtra's online store and mobile app contributed approximately 20% of total sales, enabling the Company to engage with customers anywhere, anytime. As omnichannel retail becomes the norm, we will continue enhancing our digital capabilities to

provide seamless shopping experiences. Moreover, central to eXtra's current and future success are the enduring relationships forged with customers. To nurture trust and loyalty, eXtra provides exceptional after-sales support spanning maintenance, technical assistance, and an array of warranty and value-added service options.

eXtra also understands the importance of establishing strategic partnerships to further fuel growth. On this front, eXtra is the exclusive fulfillment partner for Noon's electronics category, and parallel to this, maintains direct supplier relationships with electronics leaders that include Apple, Samsung, LG, Dell, HP, and more. Additionally, the Company has exclusive distribution rights in the region for Prime, Princess, La Germania, and other brands. Ultimately, these strategic collaborations fortify eXtra's reputation as the partner of choice for consumer electronics and ensures that a comprehensive catalogue of leading products in their respective categories is always available to customers throughout the year.

The Region's Leading Integrated Consumer Electronics Retailer



eXtra provides unrivaled access to the latest products and technologies that transform modern life. We offer expansive, carefully curated ranges across six primary categories:

1. [White Goods](#)
2. [Audio-Video Systems](#)
3. [Computers](#)
4. [Mobile Phones and IT Communications](#)
5. [Electronics](#)
6. [Gaming Accessories](#)

eXtra's retail portfolio currently comprises over 6,500 distinct SKUs, covering must-have electronics from today's most coveted brands. Through established partnerships with innovators like Apple, Samsung, LG, HP, and Philips, we provide customers with immediate access to the world's newest technologies. Direct relationships with major suppliers also empower eXtra to nimbly navigate global dynamics like supply chain disruptions, and with strong links across the value chain, eXtra can proactively mitigate inventory and logistics bottlenecks.



For over 20 years, eXtra has built a reputation as one of the market's most innovative electronics retailers.



Behind eXtra's market-leading position is an unrelenting focus on optimizing operations to deliver exceptional shopping experiences. 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 to growing and retaining a loyal and engaged customer base. By continuously refining its category management, pricing strategies, and supply chain efficiencies to meet rising consumer expectations, eXtra has steadily increased sales and maintained dominant category market shares despite economic headwinds.

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman’s Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director’s Responsibility

A Lucrative E-Commerce Platform

Complementing its unmatched physical retail footprint, eXtra has vigorously expanded its e-commerce presence — since becoming the first retailer to introduce online shopping in 2011 — to provide consumers unfettered digital access to an expansive inventory. The Company’s user-friendly website and mobile app offer customers an omnichannel electronics shopping experience beyond compare. In recent years, eXtra has transformed into a major player in KSA’s online retail scene by implementing a clear, digital-first strategy that puts the customer journey front and center. The Company utilizes rich media, including videos and 360-degree product imagery combined with detailed peer reviews, to aid purchasing decisions. eXtra also provides click and collect fulfilment, with orders ready for pickup in-store within two hours, which have fueled over c.25% of 2023 online sales.

Overall, e-commerce contributed approximately 20% of total 2023 revenues as consumers continued embracing the convenience of contactless shopping. To accommodate rising demand, eXtra is adopting hybrid, last-mile delivery models, thus generating further efficiencies while upholding a commitment to unmatched customer experiences. eXtra supplements its immense digital catalogue with practical tools that include online shopping guides, product comparisons, and instructional YouTube content. The

Company also offers white glove delivery and installation of large appliances, as well as same-day shipping of small items. Flexible fulfillment and payment methods provide further incentives to shoppers seeking electronics online. Furthermore, eXtra has started reaping the rewards of its efforts to elevate and enrich the customer shopping experience through the newly introduced website and mobile application. On that front, while revenue from online sales dropped from 19.2% in 1H 2022 to 18.2% in 1H 2023, it rose from 19% in 2H 2022 to 21.9% in 2H 2023*. These platforms embody eXtra’s commitment to innovation and customer-centricity, offering a comprehensive selection of products, intuitive navigation, and personalized features, leading to a seamless shopping experience.

c.20%

Online Sales Contribution to Consolidated Revenues (FY2023)



Having cemented its status as a market leader renowned for quality and outstanding service, eXtra introduced its private electronics label, Class Pro, in 2006. Class Pro offers an extensive range of products, which include air conditioners, LED TVs, freezers, refrigerators, small appliances, water dispensers, ovens, and microwaves. True to eXtra’s reputation, the Class Pro label, as well as all of eXtra’s other exclusive brands, comes with the same robust guarantees and after-sales services that the Company is renowned for, providing consumers with exceptional value and assurance.

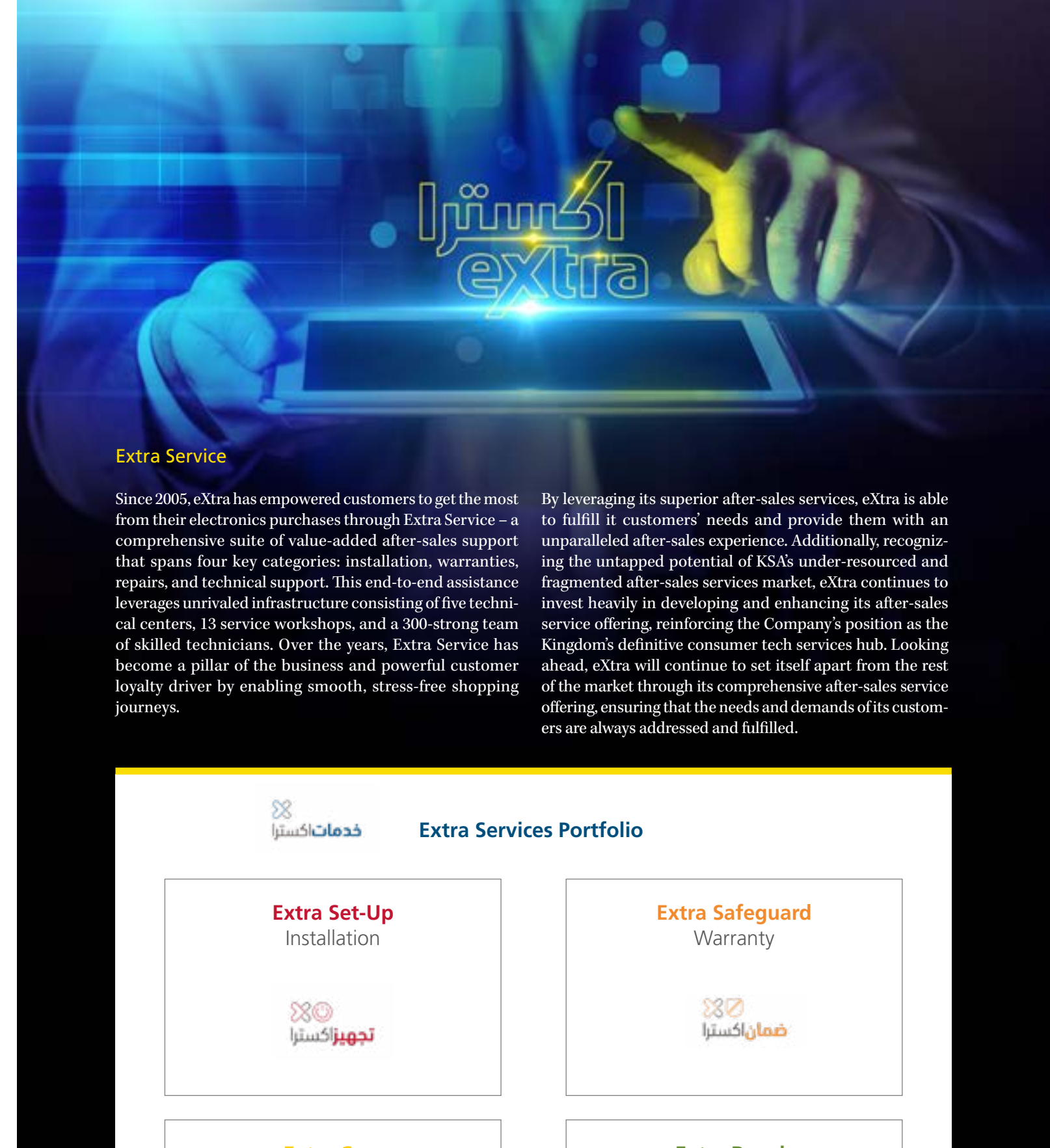
prime

PRINCESS

LA GERMANIA
Innovation • Precision • Commitment

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.

*The percentage of online sales from total sales excludes wholesale sales.



Extra Service

Since 2005, eXtra has empowered customers to get the most from their electronics purchases through Extra Service – a comprehensive suite of value-added after-sales support that spans four key categories: installation, warranties, repairs, and technical support. This end-to-end assistance leverages unrivaled infrastructure consisting of five technical centers, 13 service workshops, and a 300-strong team of skilled technicians. Over the years, Extra Service has become a pillar of the business and powerful customer loyalty driver by enabling smooth, stress-free shopping journeys.

By leveraging its superior after-sales services, eXtra is able to fulfill its customers’ needs and provide them with an unparalleled after-sales experience. Additionally, recognizing the untapped potential of KSA’s under-resourced and fragmented after-sales services market, eXtra continues to invest heavily in developing and enhancing its after-sales service offering, reinforcing the Company’s position as the Kingdom’s definitive consumer tech services hub. Looking ahead, eXtra will continue to set itself apart from the rest of the market through its comprehensive after-sales service offering, ensuring that the needs and demands of its customers are always addressed and fulfilled.

خدمات اكسترا

Extra Services Portfolio

Extra Set-Up
Installation

تجهيز اكسترا

Extra Safeguard
Warranty

ضمان اكسترا

Extra Care
Protection, Technical Support

حماية اكسترا

Extra Repair
Service and Parts, Repairs, Replacements

صيانة اكسترا

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Consumer Finance



In 2015, eXtra introduced an in-house consumer finance program to further enrich the customer experience. This capability was significantly expanded in 2019 through



Tas'heel, eXtra's fully owned financial services subsidiary focused on providing exceptional installment plans tailored to each shopper's needs.

KSA's Most Successful Fintech Platform

5.3^{BN}
SAR

Financing Since Inception

1.9^{BN}
SAR

Total Loan Portfolio

1,581^{MN}
SAR

Outstanding Personal Loan Portfolio

285^{MN}
SAR

Outstanding Product Loans

66^{MN}
SAR

Credit Card Portfolio

Since launching, Tas'heel has served over 200,000 individuals and families, including both nationals and expatriates, across KSA, empowering customers to turn high-value purchases into more affordable payments. Moreover, Tas'heel provides Shariah-compliant cash and retail installment loans, and through its integration with 10 external platforms and utilizing 100% digital application processing,

approvals require minimal documentation and occur almost instantly. Additionally, advanced risk infrastructure further enables Tas'heel to offer non-collateralized financing while maintaining attractive delinquency and non-performing asset ratios, allowing further differentiation from Tas'heel's competition across the Kingdom.

Solutions		
<p>Personal Finance</p> <p>Parallel to this, Tas'heel Leverages an innovative digital fintech platform that has allowed it to deliver the Kingdom's fastest lending approvals and funds disbursement, and by implementing strict risk management and</p>	<p>Installment Programs</p> <p>continuous portfolio assessments, the Company is able to ensure the sustainability of its operations despite shifts in broader economic cycles.</p>	<p>Credit Cards</p>

<p>Our Vision</p>	<p>Our Mission</p>
<p>Enable our clients to enrich their lives and achieve their ambitions by providing effortless financial services through innovative digital solutions.</p>	<p>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.</p>

Personal Finance

Tas'heel's personal financing are Shariah-compliant, adheres to Tawarruq principles, and ranges from SAR 15,000 to SAR 250,000 with flexible 36 to 60-month terms, with no guarantor required for disbursing personal loans, granting instant approval for financing needs. At year-end 2023, the outstanding personal loan portfolio stood at SAR 1,531 million.

Installment Programs

Tas'heel offers a wide-range of installment programs, providing easily accessible, Shariah-compliant installment finance (Murabaha), in addition to a range of installment services in partnership with a solid and expanding base of retail partners. Installment plans from Tas'heel start at SAR 4,000 and reach SAR 60,000 over 12 to 36-month durations, and plans are guarantor-free with instant approval for point-of-sale financing with eXtra or with the Company's external retail partners. By year-end 2023, outstanding product loans reached SAR 273 million.



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Our Strategy

By leveraging its omnichannel platform and access to end-to-end digital fintech solutions, eXtra is well-positioned to maintain its growth trajectory, expand its market share, and elevate customer journeys.

Retail

eXtra aims to solidify its position as the region's preeminent electronics retailer by capturing an even greater share of the omnichannel consumer tech market. The Company's medium-term goal is to achieve approximately 25% market penetration through synchronized growth of physical and digital operations. This expansion will leverage a multi-faceted strategy focused on:

- ▶ Enhanced like-for-like performance via optimized merchandising, promotions, and inventory
- ▶ Elevating penetration of e-commerce
- ▶ Continuous roll-out of value-added services strengthening loyalty and enhancing customer retention

Through a balanced digital growth strategy, eXtra can refine its competitive positioning while more deeply engaging consumers and stakeholders across platforms. Holistic retail development will enable the Company to sustainably grow its customer base while maximizing the lifetime value derived from every shopper. By executing this strategy, eXtra can uphold its reputation as the first choice for customers seeking to purchase world-class consumer electronics seamlessly through the channel best suited to their needs.

Driving Growth

Physical Expansion and New Store Concepts

eXtra's expanding national and regional showroom network enables unmatched direct consumer access for experiencing a vast lineup of cutting-edge devices. As of 2023, the Company operates 53 locations situated in prime retail destinations across KSA, Bahrain, and Oman. Moving forward, eXtra will continue targeting high-potential neighborhoods lacking a retail presence to broaden its geographic footprint and capture greater market share.

eXtra has also recently unveiled a new generation of

showrooms focused on digitally enriched journeys personalized to each shopper. Concept stores will integrate electronic shelf labels, in-store ordering tablets, and expansive digital catalogues viewable on state-of-the-art displays. This refreshed retail environment harnesses next-generation technologies to engage customers, simplify product discovery and purchasing, enhance personalization, and collect valuable visitor insights. The tech-forward blueprint sets a new bar for electronics retailing while upholding eXtra's commitment to offering consumers unmatched, customized omnichannel shopping.

eXtra.com

As online shopping becomes ingrained for hundreds of millions globally, eXtra continues enhancing its e-commerce capabilities to meet this irreversible shift in consumer behavior. The Company has prioritized omnichannel development since pioneering KSA's first dedicated retail website, extra.com, in 2011. Today, extra.com seamlessly complements the national showroom footprint to provide full end-to-end support across channels, where the platform offers eXtra's complete inventory and rapid fulfillment options, such as two-hour click and collect and same-day delivery.

Moving forward, eXtra will further invest in extra.com's features and functionality to enable unparalleled digital retail experiences. The Company is focused on leveraging competitive pricing, ultimate convenience, and fast shipping to drive online sales growth and capture greater overall market share. By concentrating resources on the digital strategy, eXtra aims to sustain sector-leading e-commerce expansion rates to meet rising demand from consumers seeking electronic goods through online touchpoints. Additionally, a customer-centric approach will continue differentiating extra.com as KSA's premier specialist electronics webstore.

Loyalty Programs

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman’s Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director’s Responsibility

To further enrich engagement, eXtra launched the “Jood” customer loyalty program in 2023, providing enrolled shoppers with exclusive perks.

Jood is a paid membership program, the first of its kind in this industry in KSA, designed to provide immediate value to our customers while negating the complexities of traditional point collection systems. Upon purchasing Jood, Blue or Gold, customers immediately gain access to a range of benefits, including discounts on products (with varying percentages based on categories), discounted services, complimentary vouchers for various services, savings at partner restaurants, and hotel stay benefits, such as one free night for every three nights. Furthermore, Jood’s member discount services are valid even during eXtra’s Mega Sale festival, providing members with even more favorable prices compared to non-members during the festival. As we look ahead, Jood is poised to further elevate eXtra’s consumer-centric approach using data-driven incentives and offers designed to enhance the shopping experience. By encouraging more frequent shopping and increased spending, the program is expected to naturally increase basket sizes and foster long-term loyalty among customers. Additionally, our seamless integration across in-store, online, and mobile touchpoints provides a unified platform that enables eXtra to obtain more accurate insights on consumer purchasing trends and customize real-time privileges based on individual preferences.

Strategic Alliances

eXtra continues to work on setting up strategic alliances and mutually beneficial alliances with other leading marketplaces. On that front, eXtra continues to maintain its successful alliance with “noon.com”, one of the Middle East’s leading online shopping portals that was set up in 2018. Under this alliance, eXtra has been noon’s exclusive supplier of consumer electronics and home appliances, providing the Company with a strategic edge over its competitors. This alliance is a prominent example of a successful and mutually beneficial collaboration that eXtra is looking to replicate alongside other retailers and online marketplaces in the future.

Heading into 2024, eXtra has also recently set up a new strategic alliance alongside Panda, the largest grocery retailer in KSA, making eXtra’s products available in 61 Panda hypermarket’s and 118 Panda supermarkets, which form Panda’s 179-store network spread across 40 cities throughout the Kingdom, and with an annual footfall of around 100 million shoppers. The alliance, which will operate under the brand name “cliX”, represents a cornerstone of eXtra’s growth strategy, as it signifies a new era of collaboration and innovation in the retail sector. Under this alliance, eXtra will be able to leverage Panda’s extensive retail network to expand its market reach and deepen customer engagement, thus further driving growth.

Enhancing Profitability

eXtra Services

eXtra’s After-Sales Division embodies our dedication to delivering reliable customer care, drawing on more than 20 years of industry experience. Our extensive network, including six technical centers and 23 workshops, coupled with a team of over 320 skilled professionals, equips Extra Service to effectively respond to the after-sales needs within the Kingdom. This strategic focus not only broadens eXtra’s service offerings but also positively impacts the Company’s profitability. In a diverse market with varied customer requirements, Extra Service distinguishes itself with its adaptable and comprehensive after-sales service solutions, enabling it to gain the trust of Saudi consumers and solidify its position as their preferred choice for post-purchase support. This commitment is a testament to our dedication to customer satisfaction and our ongoing efforts to enhance our position within such a competitive market.

Direct Supply

eXtra preserves strong profitability through exclusive alliances with Apple, Samsung, HP, LG, and other leading international brands. The Company also serves as the sole distributor for a range of products under eXtra’s private label, ClassPro, which offers quality appliances and electronics at entry-level price points. Moreover, eXtra’s direct supply agreements bypass intermediaries to most of the Company’s vendors, providing valuable consumer insights while enabling rapid time-to-market and inventory flexibility. This unique wholesale access and data transparency fuels customer loyalty, and supplier consolidation also allows for more streamlined operations. Ultimately, this diverse supplier network gives eXtra unmatched ability to efficiently deliver the latest innovative devices to Saudi consumers, setting it apart from the competition.

Consumer Finance



eXtra’s commitment to enhancing the customer experience is underscored by its consumer finance subsidiary, Tas’heel. Launched in 2019 Tas’heel fortifies eXtra’s in-house consumer financing program, which was initiated in 2016, in response to the surging demand in the non-banking financial services (NBFIs) sector. Additionally, Tas’heel provides Shariah-compliant personal finance, credit cards, and product loans, catering to diverse tenors and repayment structures in an effort to capture opportunities and maximize the value generated from this fast-growing space.

Tas’heel is strategically positioned to increase its market share and balance eXtra’s core revenue cyclicalities through four key pillars

Capitalizing on the Kingdom’s underserved sector

– By targeting high-growth consumer finance, Tas’heel can aggressively grow its presence in an ecosystem lacking adequate investment, with a first-mover advantage providing a long runway for expansion.

Leveraging data and insights

– Tas’heel’s 100% digital lending infrastructure delivers rich analytics on borrower behavior and credit patterns to inform product development and risk calibration.



Enhancing the portfolio

– Continuous innovation of personal loans, cards, and installment plans tailored to market gaps better serves distinct consumer and commercial credit needs, while diversity in product offering further cements customer loyalty.

Investing in tech and digitalization

– Tas’heel’s agile fintech foundation futureproofs operations while embedding speed, convenience, and accessibility to widen financial inclusion.

Data-Driven Growth

As one of few NBFIs in KSA operating a fully digital lending platform, Tas’heel provides invaluable data strengthening analytics and decision-making across eXtra, while advanced modeling informs strategy and transformations, empowering both Companies to lead market innovation. Additionally, Tas’heel’s introduction of a credit card product in 2022 has greatly increased the accuracy of its credit scoring and rating capabilities, boding well for operations going forward.

Accessibility

By utilizing advanced financial technology, Tas’heel minimizes guarantor requirements and accelerates approvals to achieve best-in-class turnaround times. Tas’heel also widens penetration among underserved demographics through strategic branch expansion while launching digital apps offering embedded financing, enabling eXtra to further enhance and elevate customer journeys.

Frictionless Finance

A key component of Tas’heel’s competitive edge is the ease of its customer journey as it offers one of the market’s most frictionless personal finance journeys. With no requirement for guarantors, Tas’heel extends its full suite of services to nationals and residents alike, offering instant approval, competitive fees, and flexible cash loan products ranging from SAR 15,000 to SAR 250,000 with varied tenor options, allowing Tas’heel to truly stand out among the crowd.

Strategic Alliances

Key collaborations with major brands in entertainment, home furnishings, healthcare, and fitness diversify Tas’heel’s portfolio beyond eXtra while capturing distinct retail sectors. Alliances include the likes of Virgin Megastores, IKEA, Gold’s Gym, Saudi German Hospitals, and the Saudi Swiss Consultant Center, providing Tas’heel access to varied target demographics. Looking ahead, the roadmap includes expanding alliances, delving into new economic sectors, and deepening relationships with existing partners to ensure sustained growth and penetration into untapped market segments, further solidifying Tas’heel’s position as a key player in KSA’s consumer finance landscape.

2023 Financial Highlights

eXtra's revenues surpassed the SAR 6 billion threshold for the second consecutive year, reaching SAR 6.2 billion in FY2023. FY2023. Revenue expansion was driven by a slight increase in retail sales, coupled with revenue growth at Extra Services and consumer finance services. Accordingly, the Company's revenues grew by 2.8% y-o-y despite a challenging operating environment, which saw reduced spending on consumer electronics across the Kingdom due to higher inflation, supply chain constraints affecting the availability of certain products, as well as a general shift in consumer spending toward the entertainment sector. Moreover, eXtra recorded a gross profit increase of 7.7% y-o-y to SAR 1.36 billion and booked a gross profit margin of 22.0% in 2023 vs 21.0% in the previous year.

eXtra's profitability for FY2023 was driven by a shift in the Company's sales mix, with an increase in revenues recorded

at Extra Services and eXtra's consumer finance services. However, profitability was negatively affected by the increase in financing costs, which rose by SAR 47.4 million compared to FY2022 on the back of higher borrowing costs. Additionally, the SAR 32.3 million non-recurred expense associated with eXtra halting its plans to enter the Egyptian market incurred in the second quarter of the year, coupled with increased selling, marketing, general, and administrative expenses recorded during the year, in addition to the effect of non-recurring revenue recorded during the previous year, further weighed on the Company's profitability. As a result, net income for FY2023 shrank by 11.3% y-o-y to SAR 390.5 million from SAR 440.2 million in the previous year. It is worth noting that Extra Services reported a 9.7% y-o-y increase in net income to SAR 212.3 million in FY2023 from SAR 193.6 million in FY2022.

Summary Income Statement

	FY 2023		FY 2022		Growth (%)
	SAR (k)	% of Sales	SAR (k)	% of Sales	
Sales	6,200,688	-	6,031,066	-	2.8%
Gross Profit	1,361,880	21.96%	1,265,064	20.98%	7.7%
Operating Profit	480,639	7.75%	484,147	8.03%	-0.7%
Net Profit Before Zakat	419,183	6.76%	472,146	7.83%	-11.2%
Net Profit	390,462	6.30%	440,174	7.30%	-11.3%

Geographic Breakdown of Sales

SAR (k)	FY 2023	FY 2022	Growth (%)
KSA	5,747,452	5,631,717	2.1%
Others	479,224	423,283	13.2%
Adjustments Due to Consolidation	(25,988)	(23,934)	8.6%
Total	6,200,688	6,031,066	2.8%

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

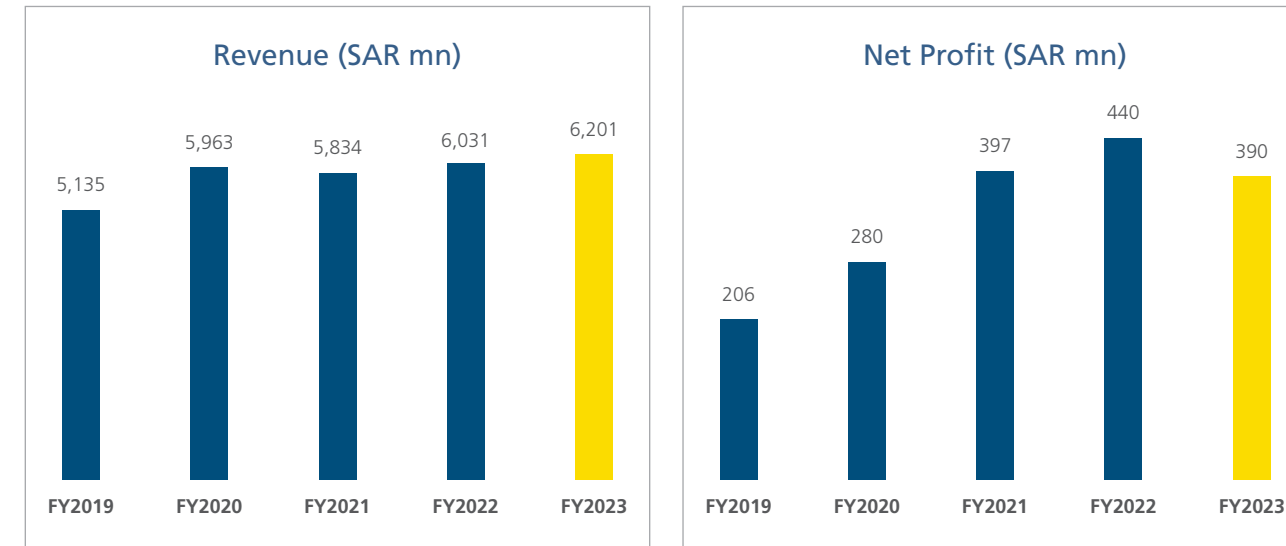
- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Income Statement Analysis

eXtra achieved a five-year revenue CAGR (2019–2023) of 4.83%, 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 17.3% in 2023.

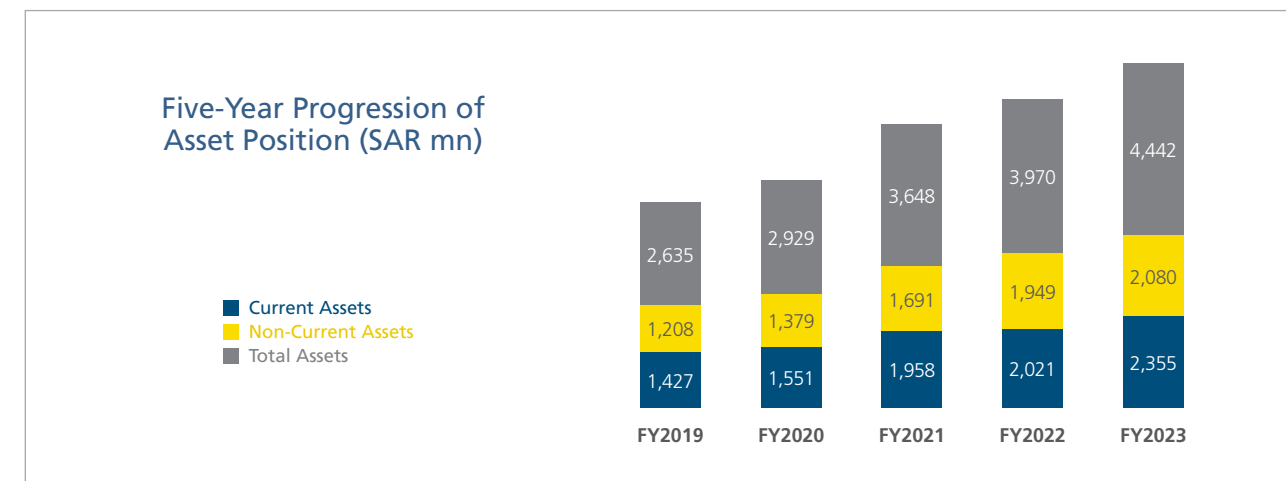
Five-Year Revenue and Net Profit Progression



Balance Sheet Highlights

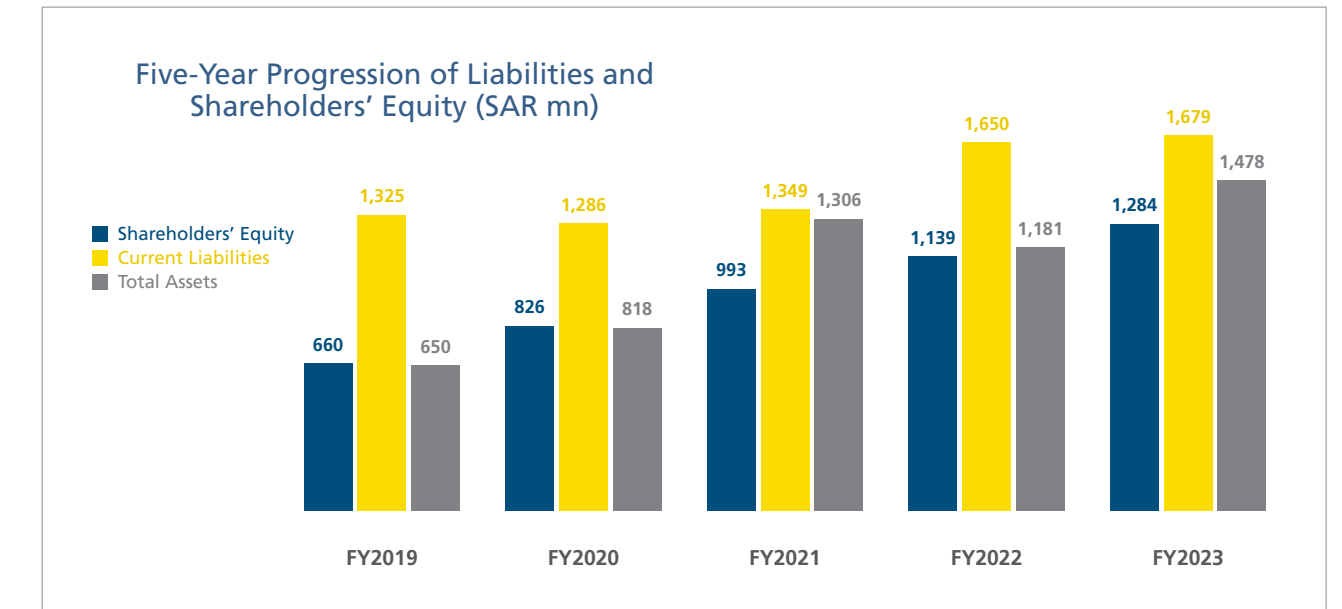
Asset Progression

The total value of eXtra's assets booked on its balance sheet increased to SAR 4.4 billion in FY2023 compared to SAR 2.6 billion in FY2019, reflecting a five-year CAGR of 13.95%.



Liabilities and Shareholders' Equity Progression

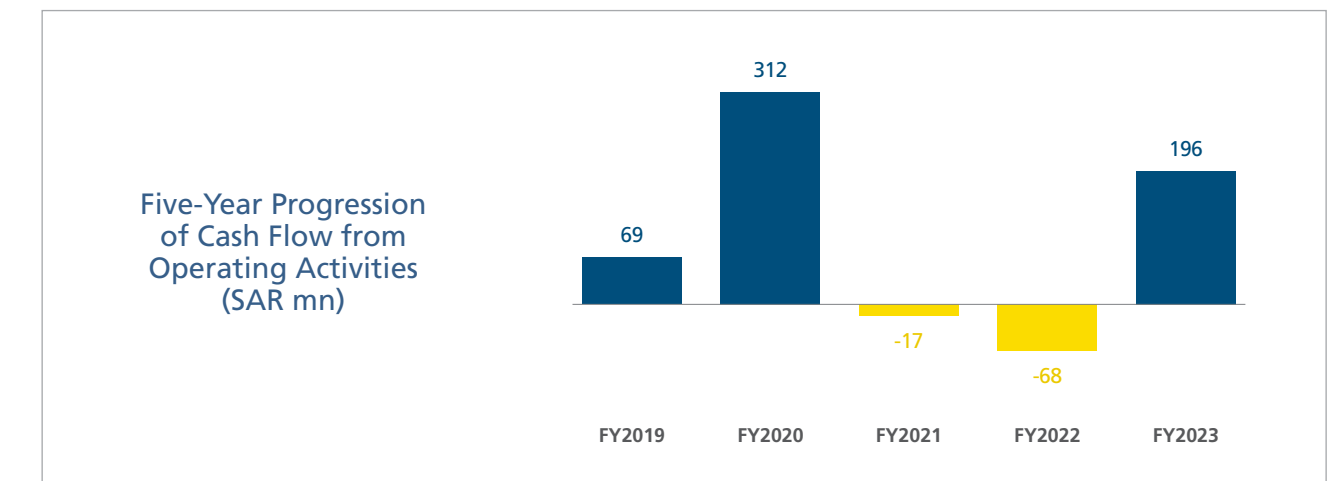
The Company's shareholders' equity recorded a five-year CAGR of 18.1% to register SAR 1,284 million in FY2023 up from SAR 660 million in FY2019. The Company's current liabilities booked SAR 1.68 billion for FY2023, up from SAR 1.65 billion recorded the previous year.



Cash Flow from Operating Activities

eXtra recorded a net cash inflow from operations of SAR 196 million for FY2023 compared to a net outflow of SAR 68 million recorded one year previously. This progression comes following eXtra's successful and more efficient

management of its working capital throughout FY2023, which enabled the Company to enhance its net cash flow position from operating activities during the year.



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Bank Facilities

eXtra began FY2023 with an outstanding debt balance of SAR 1.17 billion. The Group repaid the due amounts from this opening balance during the year. In FY2023, the Group enjoyed access to short-and medium-term Murabaha facilities extended by its financial partners, including SABB Bank, Al Rajhi Bank, Al Inmaa Bank, ENBD, and ABC Bank. The total value of the short-term Murabaha facilities available to the Group during the

period came in at SAR 2,668 million, extended to support the Company's working capital requirements, and the total value of long-term facilities available to the Group in FY2023 stood at 774.5 million. Of this amount, SAR 2.5 billion was defrayed by the group during FY2023, with the remaining SAR 1.35 billion yet to come due during the year as at 31 December 2023.

Bank Facilities

Opening Balance as at 1/1/2023

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		250,000
Total	50	1,740,166		568,067	1,172,099

Closing Balance as at 31/12/2023

Bank Name	Number of Murabaha Contracts	Loan Amount (000s)	Loan Period	Amount Paid (000s)	Loan Ending Balance (000s)
SABB	61	250,000	23 - 30 Days	105,000	145,000
	5	350,000	5 Years	100,000	250,000
Al Rajhi	7	68,000	21-32 Days	60,000	8,000
	9	387,500	5 Years	31,150	356,350
Al Inmaa	14	170,000	27 - 29 Days	25,000	145,000
	14	369,000	4 Years	35,813	333,188
ENBD	37	60,000	8 - 28 Days	45,000	15,000
ABC Bank	27	131,303	28 - 92 Days	37,515	93,788
Total	174	1,785,803		439,478	1,346,325

Zakat and Governmental Payments

SAR (000s)	Paid in FY2023	Ending Balance as at 31 December 2023	Description	Reasoning
Zakat	29,813	(37,286)	Zakat on income	Annual Zakat Declaration
GOSI	23,654	(2,195)	Social insurance	Social insurance payments due on Saudi and expatriate employees
Tax Authority	3,893	(840)	Withholding tax	For dividends distributed to nonresident shareholders and for foreign/ non-resident service providers
VAT	194,404	(26,528)	Value-Added tax	Total VAT payable
Total	251,764	(66,849)		



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Risks and Mitigants

As with every other company operating within the Saudi market, eXtra is faced with a number of risks. These risks can be split 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 KSA. 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 are no existing 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 2023, 53% 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 the 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, the Company's credibility may be affected in a negative manner in case eXtra is unable to fully serve each customer with the same degree of care and dedication. 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.



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

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.

At eXtra, our people are our greatest asset; they lie at the heart of our operations and are a key factor behind the Company's success. Over the years, eXtra has grown from a small team of entrepreneurs, and as of today, the eXtra family encompasses about 3,000 employees. Recognizing the importance of diversity in strengthening the Company, our team is enriched by the presence of people representing over 30 different nationalities, with women making up more than 14% of our workforce. This diversity highlights our strong commitment to fostering an inclusive and empowering workplace.

This year, and as part of our digitalization strategy, the Human Resources Department implemented SAP SuccessFactors, one of the key projects of our infrastructure development plan. Phase 1 of the implementation was centered around core HR and payroll areas and encompassed SAP SuccessFactors Employee Central, Time Tracking, Payroll, Service Center, Recruiting, and Onboarding. As we head into 2024, our plan is to begin initiating Phase 2, which will expand our focus to more strategic HR areas, such as Performance Management, Learning Management, Compensation and Benefits, and Succession and Development.

We are committed to helping our employees consistently grow and develop. To that end, we provide enriching training and learning opportunities, offer attractive incentive programs to raise morale and enhance productivity, and create and foster a healthy work environment that empowers our people and helps them develop into the best versions of themselves. On the training front, we invested around 95,000 hours this year on training across various areas, and our eXtra Academy has introduced new programs focusing on technical, soft, and leadership skills. On the employee motivation front, we offer our Sales Team attractive reward programs, such as the Great Job Card and ADAA, which provide an incentive for our employees to go the extra mile in order to achieve eXtra's sales targets. Furthermore, at eXtra, we prioritize providing our team with a healthy work-life balance, as well as safeguarding their physical and mental well-being, by providing regular health checks, wellness days, and fun activities.

Our focus on inclusive hiring and cultivating a diverse workplace showcases the Company's strong and continued commitment to diversity. On that front, we are actively

involved in youth and female empowerment initiatives, and we regularly work alongside governmental ministries to that end. In parallel, our hiring strategy also falls in line with the Kingdom's Saudi Nationalization Scheme, which aims to create job opportunities for Saudi youth. To that end, eXtra is dedicated to offering employment opportunities to young Saudi nationals and helping them develop into the business leaders of tomorrow. Our efforts, which we take great pride in, are reflected in eXtra's Platinum Score on the "Nitaqat" Saudization program and the achievement of a 53% Saudization rate as of the close of 2023.

We believe our success is directly linked to the contributions of our people, and our Human Resources Strategy is carefully crafted to align the interests of our employees with those of our shareholders. This is reflected in our employee stock compensation program and our performance-based bonuses. By cultivating a culture that values each member's contribution and promotes continuous learning and development, eXtra has established itself as an employer of choice, committed to both the sustainable success of the Company and the holistic well-being of its workforce.

Tas'heel



Similarly, at Tas'heel, our people lie at the core of the Company's operations and activities, and today, the total number of employees at Tas'heel stands at 377 highly valued individuals.

As with eXtra, Saudization is of significant importance to us at Tas'heel, and we are completely committed to playing our role in supporting the Saudi economy by creating job opportunities for Saudi youth. As a result of our efforts, the large majority of Tas'heel's employees are Saudi nationals, with the Saudization rate at the Company reaching 85.66% as of year-end 2023.

In parallel, inclusivity and diversity are also important pillars of Tas'heel's hiring strategy. To that end, and as part of our role in supporting and empowering women across the Kingdom, currently 44% of Tas'heel's employees are women. Going forward, we will continue creating job opportunities

for women as we work toward achieving greater diversity and inclusion, while simultaneously supporting and empowering women across the Kingdom.

At Tas'heel, we recognize that we have a responsibility to support the continued enhancement of our people, enabling

them to develop into the best versions of themselves. To that end, we provide various training and learning opportunities to Tas'heel's employees, and over the past year, we conducted over 65,000 hours on training sessions across a number of focus areas, including technical, soft, and leadership skills.

eXtra KPIs

+3,000

Total Number of Employees

53%

Saudization Rate

14%

Percentage of Female Employees

+90,000

Total Number of Hours Spent on Training

Tas'heel KPIs

+370

Total Number of Employees

85.66%

Saudization Rate

44%

Percentage of Female Employees

+65,000

Total Number of Hours Spent on Training

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



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 cutting-edge 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 new 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.

eXtra maintains an incentive program for employees, disbursing monthly and yearly bonuses based on key performance indicators. The Company has set up a system that combines business objectives with division-specific KPIs and rewards divisional employees accordingly in an appropriate and encouraging manner. The Company also has an employee stock compensation program that aims to align the interests of eXtra's employees with those of its shareholders.

At eXtra, our people are our greatest asset; they lie at the heart of eXtra's operations and are a key factor behind the Company's success.



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

SUSTAINABILITY IN ACTION



Sustainability at eXtra

eXtra has set in place a comprehensive ESG approach that strives for the continuous improvement of sustainable business practices and the maximization of our positive influence on the communities we engage with. We are optimistic and confident that the global shift toward responsible and sustainable investment practices will unveil abundant opportunities, and our strategic positioning enables us to adeptly navigate any challenges that may arise.

Over the years, eXtra has been a strong advocate for smart, ethical, and responsible operations and had already adopted sustainable development and investment long before the setting up of tangible ESG strategies. Sustainability considerations are being incorporated into our decision-making processes and operations, thus placing sustainability at the heart of our daily business activities.

eXtra persistently strives to attain national and global sustainable development objectives, meticulously monitoring our advancements through the measurement and reporting of environmental, social, and economic performance.

Our Sustainability Management Approach

Our management approach remains unwaveringly dedicated to the triple facets of ESG frameworks, the foundational elements of sustainability. Under the environmental framework, our primary aim is to minimize our environmental footprint by reducing waste, optimizing energy consumption, and mitigating emissions. Simultaneously, our focus in the social framework is on fostering positive change in the communities where we operate, championing equality, supporting community development, and nurturing a culture of trust with our customers. This involves the consistent sponsorship of training and educational initiatives, upholding equal opportunity employment practices, and placing customer needs at the core of our operations. Regarding the governance framework, our objective is to establish and continually enhance a robust oversight and anti-corruption framework, promoting transparency and accountability across our operations.

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



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Stakeholder Engagement

At eXtra, we are always committed to actively engaging with our stakeholders, enabling us to understand and address their needs.

The opinions and perspectives of our stakeholders are of significant importance, as they assist us in driving the continuous enhancement and development of our business activities and strategies. The table below details the diversity of our stakeholders, and the various communication channels that we use to engage with them.



Stakeholder	Focus Areas	Stakeholder Priorities	Engagement Methods
Customers	To focus on understanding and meeting customer needs and exceeding their expectations	<ul style="list-style-type: none"> • Product and service excellence • Transparency and accountability • Data privacy 	<ul style="list-style-type: none"> • Customer satisfaction surveys • Customer Experience Department • Website and social media platforms
Employees	To work continuously toward creating a work culture of approachability, communication, and performance for our valued employees	<ul style="list-style-type: none"> • Job Security • Training and development programs • Reward and recognition programs • Competitive remuneration and benefits 	<ul style="list-style-type: none"> • In-house training • Performance management and evaluation • Employee satisfaction surveys • Medical services and check-ups • Health insurance, annual leave, social security • Open dialogue with employees over numerous channels
Community	To engage with community members, non-profit organizations (NGOs), charities, employees, suppliers, and other stakeholders using new initiatives and long-standing programs that garner a positive impact and enhance community well-being	<ul style="list-style-type: none"> • Investment in local communities • Corporate social responsibility (CSR) activities and initiatives • Sponsorships and donations 	<ul style="list-style-type: none"> • Local procurement • Community interventions and partnerships • In-kind contributions, sponsorships, and donations
Shareholders	To ensure sustainable and profitable growth and deliver attractive investment returns	<ul style="list-style-type: none"> • Sustainable profits and returns • Transparency and accountability • Corporate governance and business ethics 	<ul style="list-style-type: none"> • Public reports and periodic disclosures • IR Webpage • Investor relations meetings • Annual General Meetings
Government and Regulators	To operate according to applicable laws and regulations and to work in a responsible manner that contributes to the country's advancement	<ul style="list-style-type: none"> • Compliance with applicable laws and regulations • Support Saudi Vision 2030 	<ul style="list-style-type: none"> • Compliance and governance implementation • Periodic reports and disclosures • Regular meetings
Suppliers	To invest in long-term relationships with our suppliers, establishing strategic supplier partnerships that ensure value creation across all stages of the value chain	<ul style="list-style-type: none"> • Clear description of work scope • Competitive bidding • Smooth invoicing and payment processes • Fair and ethical practices 	<ul style="list-style-type: none"> • Strengthening relationships with our business partners • Adherence to eXtra code of conduct and ethical values • Support local suppliers • Supplier grievance mechanism

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

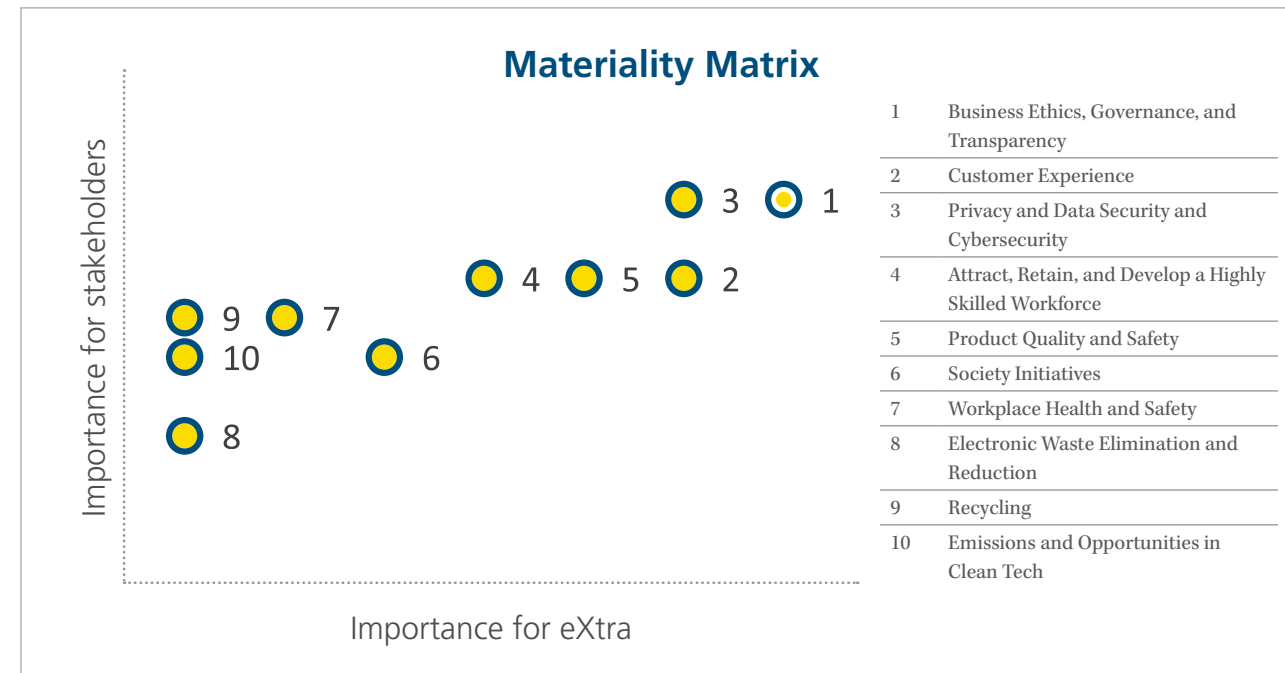
Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Comprehensive Materiality Analysis

At eXtra, we conduct a materiality assessment when considering the importance of each ESG consideration. As part of our latest materiality assessment, we considered a range of factors, including:

- ▶ National and global ESG frameworks
- ▶ National visions and international goals
- ▶ Economic trends
- ▶ Rating agencies' evaluations
- ▶ Performance and practices of peer companies
- ▶ Stakeholder engagement records, including information on customer satisfaction
- ▶ Employee interviews



A Vibrant Society

In recent years, eXtra has prioritized the promotion of Saudization and the enhancement of reliance on local talent. The Company has also actively implemented various social and community initiatives to foster inclusivity and equality. These efforts align with our commitment to contributing to the Vision 2030 objective of building a vibrant society that reinforces our national identity and ensures a fulfilling and healthy life for all.

A Thriving Economy

eXtra's commitment to fostering a robust domestic economy, in alignment with Saudi Vision 2030, involves conducting training and educational campaigns for both our employees and community members. These initiatives

aim to boost productivity and contribute to greater equality, ultimately fostering a more inclusive and thriving economy.

An Ambitious Nation

As a forward-thinking nation, the Kingdom is steadfastly dedicated to optimizing government efficiency and strengthening its role in uplifting the Saudi community, actively championing social responsibility. Aligned with this aspect of the Saudi Vision 2030 strategy, eXtra remains proactive in its support of the local community, implementing diverse social initiatives and collaborating with various Saudi governmental organizations on digitalization initiatives.

Alignment with Saudi Vision 2030

eXtra remains steadfast in its support for and its efforts to achieve the goals outlined in the Saudi National Vision 2030, which is built upon three key pillars:

Vision 2030 Pillars



Alignment with the Sustainable Development Goals (SDGs)

As eXtra prioritizes sustainable and responsible operations integral to its growth strategy, a substantial focus is directed toward sustainable growth. Aligned with the United Nations' Sustainable Development Goals (UN SDGs), this approach directly contributes to KSA's socioeconomic development. To that end, the Company's strategic direction adheres to international frameworks and global initiatives, ensuring alignment with the SDGs.

Currently, through various initiatives implemented across eXtra that fall under the three focus areas of Social, Environment, and Governance, we are actively and directly contributing to the SDGs:



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Focus Area: Environment



Focus Area: Environment

eXtra is dedicated to fostering eco-consciousness and safeguarding the environment through the implementation of sustainable practices. We strive to strike a balance between business objectives and environmental preservation, aspiring to create a healthier and more sustainable future for all.

Journey to Sustainability: eXtra's Paperless Initiatives

In our commitment to environmental responsibility and operational efficiency, eXtra has embarked on a transformative journey toward a paperless environment. This strategic shift not only aligns with global sustainability goals but also enhances our corporate responsibility and operational effectiveness.



Saudi Vision 2030

Journey to Sustainability: eXtra's Paperless Initiative aligns with Saudi Vision 2030 by embracing digital transformation and efforts toward paperless operations. The commitment to reducing paper usage contributes to the Vision's goal of fostering technological advancement and environmental sustainability, promoting a more efficient and eco-friendly business environment.



UN SDGs

The initiative is in line with a number of SDGs, particularly SDG 9 (Industry, Innovation, and Infrastructure) and SDG 13 (Climate Action). eXtra's paperless initiatives support global efforts in promoting sustainable practices and reducing environmental impacts. By embracing digital solutions, eXtra contributes to a more sustainable future and aligns with broader sustainability objectives.



Initiatives in Action:

- **Digital Document Management:** Transitioned from traditional filing systems to a comprehensive digital document management platform, reducing paper usage and enhancing accessibility.
- **Electronic Communication Practices:** Implemented robust e-mail communication systems, reducing the need for physical memos and printed communication within the organization.
- **Electronic Signature Adoption:** Facilitated the adoption of electronic signatures across departments, streamlining approval processes and reducing reliance on hardcopy documents.
- **Online Collaboration Tools:** Encouraged the use of collaborative platforms, allowing teams to work seamlessly on shared documents without the need for printed copies.



Technology-Driven Solutions:

- **Cloud-Based Platforms:** Transitioned to cloud-based storage solutions, facilitating secure and centralized access to documents and reducing the need for physical storage.
- **Mobile Applications for Workflows:** Introduced mobile applications to support various workflows, enabling employees to access and manage documents on the go.



Metrics and Impact:

- **Paper Usage Reduction Metrics:** Tracked and documented the reduction in paper consumption through key metrics, including the volume of printed documents and paper-based transactions.
- **Operational Efficiency Gains:** Measured the positive impact on operational efficiency, highlighting quicker document retrieval, reduced errors, and improved collaboration.



Future Roadmap:

- **Expansion of Paperless Practices:** Embracing a sustainable approach, we are committed to reducing our environmental footprint by further expanding our paperless initiatives. This strategic move not only aligns with our commitment to environmental stewardship but also enhances operational efficiency and supports our journey toward a more sustainable future.



Conclusion:

eXtra's paperless initiatives are not just about reducing paper consumption; they represent our pledge to sustainability, operational efficiency, and responsible business practices. By embracing a paperless future, we are not only contributing to a greener planet but also positioning eXtra as a leader in sustainable business operations.

+75%

of Tas'heel's Workflow is Conducted Online, Embracing a Paperless Environment

100%

of Paper Labels Replaced with Electronic Labels as Part of the Electronic Shelf Labels Initiative at eXtra's Showrooms

Mobile Trade-In for a Sustainable Tomorrow

eXtra proudly introduces the Mobile Trade-In Initiative as part of our commitment to sustainability and responsible electronic waste management. This innovative program encourages customers to responsibly dispose of their old mobile devices, fostering a circular economy while reducing environmental impact. It enhances our corporate responsibility and operational effectiveness.



Saudi Vision 2030

Mobile Trade-In for a Sustainable Tomorrow aligns with Saudi Vision 2030's commitment to environmental sustainability. By promoting a circular economy through mobile trade-ins, eXtra contributes to the Vision's goal of fostering a sustainable and resource-efficient economy, supporting a greener and more technologically advanced future.



UN SDGs

The initiative is aligned with SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). The initiative supports global efforts to promote responsible consumption, reduce electronic waste, and mitigate environmental impact. The mobile trade-in program emphasizes a sustainable model, contributing to broader sustainability objectives and circular economy.



Key Features:

- **Customer Engagement:** Empower customers to participate in sustainability by exchanging their old mobile devices for incentives, encouraging responsible disposal practices.
- **Circular Economy Concept:** Embrace the circular economy concept by refurbishing and recycling traded-in devices, extending their lifecycle, and reducing electronic waste.
- **Environmental Impact:** Mitigate the environmental impact of electronic waste by diverting devices from landfills, minimizing resource depletion, and reducing carbon footprint.



How It Works:

- **Customer Outreach:** Promote the initiative through various channels, educating customers about the environmental benefits of trading in their old mobile devices.
- **Incentives and Rewards:** Offer attractive incentives, such as discounts on new purchases, which motivate customers to participate in the initiative.
- **Secure Data Wiping:** Prioritize customer data security by implementing rigorous data wiping processes, ensuring the complete erasure of personal information from traded devices.



Future Expansion:

- **Partnerships and Collaborations:** We will engage in new future collaborations with manufacturers, recyclers, and other stakeholders to expand the initiative's reach and influence.



Conclusion:

eXtra's Mobile Trade-In Initiative represents a step in the right direction toward a more sustainable future, combining customer engagement, innovative technology, and responsible practices to create a positive environmental impact. Together, we can contribute to a circular economy and promote a greener, more sustainable world.

+450K SAR

Value of Total Trade-ins Completed in 2023

Addressing the E-Waste Challenge: A Sustainable Approach

In our commitment to environmental sustainability, we recognize the importance of managing electronic waste in a responsible manner. This initiative involves partnering up with certified recyclers to ensure proper handling and disposal methods are employed.



Saudi Vision 2030

Addressing the E-Waste Challenge: A Sustainable Approach aligns with Saudi Vision 2030's commitment to environmental sustainability. By adopting responsible disposal and recycling practices, eXtra contributes to the Vision's goals of promoting ecological balance and sustainable resource management, supporting a green and vibrant future.



UN SDGs

The initiative is aligned with SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). eXtra's approach in addressing e-waste supports global efforts in promoting responsible consumption, reducing environmental impact, and mitigating climate change. The initiative emphasizes a sustainable model for managing e-waste, contributing to broader sustainability objectives.



Responsible Recycling Partnerships:

Forge partnerships with certified e-waste recycling facilities to ensure that devices undergo environmentally responsible recycling processes.



Impact Metrics:

Volume of E-Waste Collected:

Monitor and report the quantity of e-waste collected, showcasing our commitment to responsibly managing the disposal of electronic devices.



Conclusion:

eXtra's E-Waste Management reflects our dedication to mitigating the environmental impact of electronic devices. By promoting responsible disposal practices and fostering innovation, we contribute to building a more sustainable and circular approach to electronic consumption.

+30,000 KG

Electronic Waste Properly Disposed of/Recycled



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman’s Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director’s Responsibility



Focus Area: Social



Focus Area: Social

In our commitment to social responsibility, we strive to create positive impacts on the communities where we operate. This section of the report delves into our social initiatives, emphasizing our efforts in fostering inclusivity, equality, and community development. Through various programs, we aim to make meaningful contributions and enhance the well-being of individuals and societies alike.



Empowering Education: Ertiqaa Initiative for Computer Recycling and Redistribution

In alignment with our commitment to social responsibility, eXtra proudly introduces Ertiqaa, an NGO developed in collaboration with Al Fozan Social Foundation. Registered with the Ministry of Human Resources and Social Development, Ertiqaa focuses on the collection, refurbishment, and distribution of used computers to educational and social institutes. Ertiqaa is a collaborative effort between eXtra and the Ministry of Human Resources and Social Development, and it reflects our dedication to generating a positive impact in the communities we serve.



Saudi Vision 2030

Ertiqaa aligns seamlessly with the goals of Saudi Vision 2030, emphasizing social responsibility and sustainable development. Through the recycling and redistribution of used computers, the initiative directly contributes to fostering a vibrant society and enhancing the overall quality of life for all citizens.



UN SDGs

Ertiqaa is in alignment with the SDGs, specifically targeting SDG 4 (Quality Education) and SDG 9 (Industry, Innovation, and Infrastructure). The initiative actively supports the provision of quality education and the promotion of sustainable industrial practices by refurbishing and distributing computers to educational institutions. This contribution reflects a commitment to global efforts aimed at achieving these crucial SDGs.



Objectives

- **Digital Inclusion:** Ertiqaa aims to bridge the digital divide by providing access to technology, providing refurbished computers to educational and social institutions.
- **Environmental Sustainability:** By recycling and refurbishing used computers, Ertiqaa contributes to the reduction of electronic waste, thus also aligning the initiative with our commitment to environmental sustainability.



Impact

- **Educational Empowerment:** The initiative empowers educational institutions, providing them with the necessary tools to enhance learning experiences.
- **Environmental Stewardship:** Ertiqaa significantly reduces electronic waste by extending the lifecycle of computers, in line with our sustainability goals.



Collaboration with eXtra

Ertiqaa operates hand-in-hand with eXtra, leveraging our resources, expertise, and community reach to maximize the impact of the initiative.



Next Steps

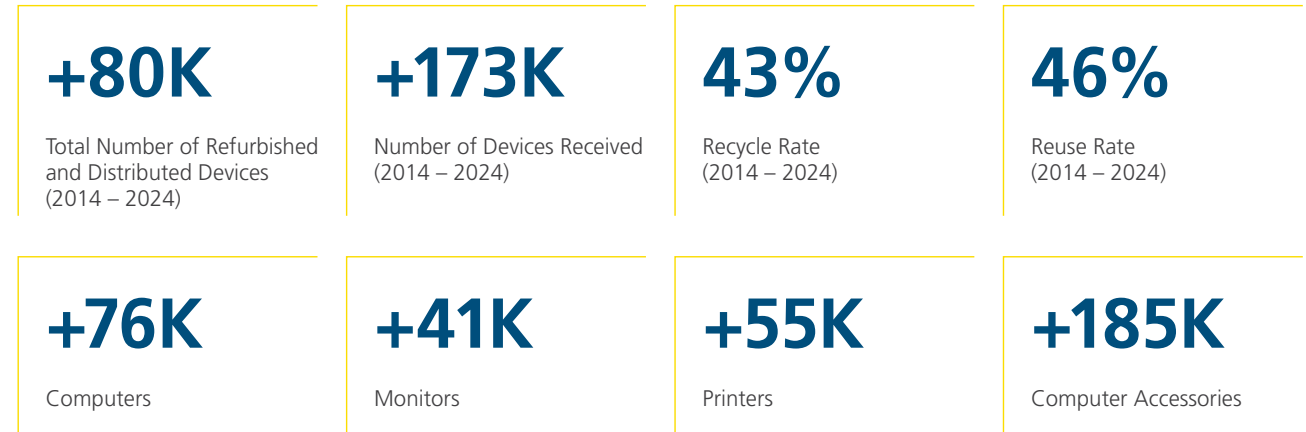
As we move forward, we remain committed to expanding the reach of Ertiqaa, exploring opportunities for further collaboration, and continually enhancing our contribution to digital inclusion and environmental sustainability.



Conclusion

Ertiqaa exemplifies our dedication to fostering positive social change and aligns seamlessly with our values of community engagement and environmental responsibility. We look forward to the continued success and growth of this impactful initiative.

Breakdown of total recycled items (2014-2024):



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Focus Area: Social

Elevating Customer Experiences: A Commitment to Excellence

At eXtra, we consider customer experience a cornerstone of our operations. Our commitment to providing exceptional service goes beyond transactions; it is about fostering lasting relationships and ensuring satisfaction at every touchpoint.



Saudi Vision 2030

Elevating Customer Experiences: A Commitment to Excellence is in direct alignment with the goals of Saudi Vision 2030, particularly with regards to fostering a thriving economy and enhancing the quality of life of all. By prioritizing customer experiences, the initiative contributes to the Vision's overarching mission of creating a vibrant and diversified economy that ultimately enhances the well-being of citizens.



UN SDGs

This initiative falls in line with several SDGs, most notably SDG 8 (Decent Work and Economic Growth) and SDG 17 (Partnerships for the Goals). By emphasizing excellence in customer experiences, the initiative supports economic growth and sustainability. Additionally, the commitment to excellence underscores the importance of collaborative partnerships in achieving global development objectives, as outlined in SDG 17.



Customer-Centric Approach:

- **Personalized Service:**

Our dedicated teams strive to understand the unique needs of each customer, ensuring personalized interactions that cater to individual preferences and requirements.

- **Accessible Support:**

eXtra prioritizes accessibility through diverse support channels, including online assistance, dedicated helplines, and in-store experts. To adapt to evolving communication trends, we are currently undergoing a digital communication transformation with the aim of enhancing customer support capabilities using advanced digital solutions that enable seamless assistance in the digital era.



Innovations for Seamless Interactions:

- **Digital Solutions:**

We continually invest in digital platforms and user-friendly interfaces, enabling customers to navigate effortlessly, make informed decisions, and enjoy a seamless shopping experience.

- **Technological Integration:**

At eXtra, we are committed to seamlessly integrating technology into both our in-store and online experiences, creating a harmonious blend of convenience and efficiency for our valued customers. In our ongoing pursuit of enhancing customer communication, we are proud to

announce a strategic partnership with a global leader in solutions. The aim of this collaboration is to elevate the overall customer experience at eXtra, ensuring that our technological innovations contribute to a more engaging and efficient interaction with our customers.



Feedback Mechanisms:

- **Surveys and Feedback Loops:**

Regular customer surveys and feedback loops are integral to our strategy, allowing us to understand customer satisfaction, identify areas for improvement, and implement enhancements proactively.

- **Responsive to Customer Insights:**

We value the insights provided by our customers and use them to refine our processes, introduce new services, and adapt to evolving expectations.



Commitment to Transparency:

- **Clear Policies:**

Transparent policies regarding product information and after-sales service contribute to building trust and confidence among our customer base.

- **Communication Excellence:**

Timely and clear communication ensures customers are well-informed at every stage, promoting transparency and reducing uncertainties.



Metrics:

- **Key Performance Indicators (KPIs):**

Trackable metrics, including net promoter score (NPS), customer satisfaction rates, and resolution times, provide tangible insights into our commitment to customer experience.



Initiatives in Action:

- **Electronic Shelf Labels:**

As part of our efforts in continuing to enhance our customers' experience, we have replaced all of our pre-printed shelf labels with electronic ones, optimizing the use of resources and expanding our digitalization efforts. Additionally, in order to provide a more convenient customer experience, we began introducing new electronic labels with built-in QR codes for each item.



- **Electronic Screens:**

Building on our digitalization strategy with the aim of providing 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.



Conclusion:

As we navigate the evolving landscape of customer expectations, our commitment to elevating customer experiences remains unwavering. By prioritizing personalization, innovation, transparency, and community engagement, we strive to set new benchmarks for customer satisfaction in every interaction.

47.3%

Net Promotion Score

0.32%

Complaints to Transactions Ratio

5.9 ^{MN}

Social Media Followers

100%

Response Rate to Customers on Social Media

100%

Paper Shelf Labels Replaced Under the Electronic Shelf Labels Initiative



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Focus Area: Social

Safeguarding Privacy: Upholding Data Security Standards

eXtra recognizes the paramount importance of privacy and data security in today's digital landscape. This section delves into our robust privacy policies and stringent data security measures, emphasizing our commitment to protecting the confidentiality and integrity of sensitive information.



Saudi Vision 2030

Safeguarding Privacy: Upholding Data Security Standards is in alignment with the goals of Saudi Vision 2030, specifically emphasizing the importance of a secure and digitized environment.

By prioritizing data security, the initiative contributes to the Vision's objective of fostering innovation, technology adoption, and ensuring a resilient and digitally advanced society.



UN SDGs

This initiative is closely aligned with several SDGs, particularly SDG 9 (Industry, Innovation, and Infrastructure) and SDG 16 (Peace, Justice, and Strong Institutions). By upholding data security standards, the initiative supports the development of a resilient and sustainable infrastructure, while also contributing to the promotion of peaceful and just societies through the protection of individual privacy.



Key Features:

- **Privacy Policies:**

We prioritize the privacy of our stakeholders and the protection of their personal information. Our commitment is reflected in our comprehensive privacy policies, which outline stringent measures to safeguard sensitive data. These policies not only comply with relevant regulations but also demonstrate our proactive approach to maintaining the highest standards of privacy across all our interactions and operations. Our dedication to privacy extends beyond compliance, fostering a culture of trust and confidence among our stakeholders.

- **Data Security Controls:**

We uphold stringent data security controls to ensure the utmost protection of sensitive information. Our commitment to safeguarding data encompasses implementing robust access controls, employing data encryption measures, maintaining data integrity, and establishing regular data backups. These measures collectively fortify our systems against unauthorized access, enhance confidentiality, and reinforce our dedication to upholding the highest standards of privacy across all our operations.

- **Secure Networks:**

We prioritize the security of our networks to safeguard sensitive information and protect against cyber threats. Through robust security protocols and state-of-the-art technology, we

ensure the integrity and confidentiality of data transmitted across our networks. By implementing secure network measures, we mitigate the risk of unauthorized access and maintain a secure environment for our stakeholders, reinforcing our commitment to data protection and privacy.

- **Regular Audits:**

We conduct regular audits of our data security measures to ensure the ongoing effectiveness of our protective protocols. Through systematic evaluations and thorough examinations, we assess the integrity and resilience of our data security infrastructure. These audits are a fundamental part of our commitment to maintaining the highest standards of data security, offering assurance to our stakeholders that their information is handled with the utmost care and in accordance with established security benchmarks.



Employee Training:

- **Data Security awareness:**

We completely acknowledge the importance of safeguarding data security. To reinforce our commitment to safeguarding sensitive information, we have implemented a system of knowledge dissemination. This involves regular e-mail notifications that provide crucial insights into the latest data security protocols, cyber threat awareness, and best practices for handling confidential data. By ensuring that our team stays

informed and vigilant, we aim to create a secure environment that protects the interests of our stakeholders and maintains the confidentiality of sensitive information.

- **Security Monitoring and Incident Response:** We prioritize security monitoring and incident response to swiftly address potential threats to our operations. Utilizing advanced security monitoring tools and processes, we continuously monitor our systems to detect and respond to security incidents in real-time. This proactive approach allows us to mitigate the impact of security breaches efficiently. Additionally, our incident response procedures are designed to ensure a swift and effective response to various scenarios, ranging from cybersecurity incidents to unforeseen disruptions. By employing robust security monitoring and incident response practices, we aim to protect our stakeholders and expedite the restoration of normal operations



Future Enhancements:

- **Investment in Security Technologies:**

In our pursuit of continuous improvement, we are directing investments into advanced security technologies. This proactive approach aims to enhance our ability to adapt to emerging threats, ensuring a robust defense against potential risks. By staying at the forefront of security technology, we are securing a resilient future for our operations and safeguarding the trust placed in us by our stakeholders.



Conclusion:

We are unwavering in our dedication to safeguarding sensitive information. Our commitment to privacy and data security reflects our responsibility to protect the trust placed in us by our stakeholders. Through robust measures and ongoing vigilance, we ensure that privacy remains a top priority in all our operations.



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Focus Area: Social

Cultivating Excellence: Human Capital Development at eXtra

At eXtra, we recognize that our greatest asset is our people. Human Capital Development is not just a practice; it is a commitment to nurturing talent, fostering growth, and creating an environment where our employees thrive both personally and professionally.



Saudi Vision 2030

Cultivating Excellence: Human Capital Development at eXtra directly aligns with the objectives of Saudi Vision 2030, emphasizing the importance of human capital as a key driver for economic and social progress. By investing in the development of our workforce, this initiative contributes to the Vision's goals of building a skilled and competitive national workforce, driving economic diversification, and enhancing the quality of life for citizens.



UN SDGs

The initiative is in harmony with various SDGs, notably SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), and SDG 9 (Industry, Innovation, and Infrastructure). Through Human Capital Development, eXtra is actively promoting quality education, creating decent employment opportunities, and contributing to the growth of innovative and sustainable industries, thereby aligning with global efforts to achieve these crucial SDGs.



Investment in Learning:

- **Continuous Learning Programs:** Our employees have access to a variety of continuous learning opportunities, including workshops, seminars, and online courses, designed to enhance their skills and stay abreast of industry trends.
- **Professional Development Plans:** Individualized development plans are crafted for employees, mapping out their career progression paths and identifying key areas for skill enhancement, ensuring alignment with organizational objectives.



Innovation in Training:

- **Technology-Enabled Learning:** Leveraging technology, we offer innovative and interactive learning modules that cater to various learning styles, fostering a culture of continuous improvement and adaptability.
- **On-the-Job Training:** We emphasize hands-on experience, providing on-the-job training opportunities that empower employees and enable them to apply theoretical knowledge to real-world scenarios.



Promoting Gender Equality in the Workplace:

- **Equal Pay:** At eXtra, we are dedicated to fostering a workplace that upholds the principles of equality and fairness. Our commitment to equal pay extends

across all levels and positions within the organization. By consistently reviewing and benchmarking our compensation structures, we aim to eliminate gender-based wage gaps and ensure that every employee receives fair remuneration for their skills and contributions. This commitment is an integral part of our organizational culture, reflecting our dedication to creating a workplace where diversity and inclusion thrive.

- **Workplace Flexibility:**

Recognizing the changing workplace landscape, eXtra is committed to providing a flexible and adaptable work environment. Our Workplace Flexibility initiative ensures that employees have the support and resources needed to balance between their professional and personal lives.

- **Anti-Discrimination Measures:**

eXtra is dedicated to creating an inclusive and equitable workplace through robust Anti-Discrimination Measures. We uphold a zero-tolerance policy against discrimination based on race, gender, age, religion, or any other protected characteristic. Our commitment extends to promoting diversity, providing equal opportunities, and cultivating a workplace culture that values each individual's unique contributions. By actively addressing and preventing discrimination, we strive to foster a work environment where every employee feels respected, supported, and empowered to reach their full potential. At eXtra, diversity is not just embraced; it is integral to our success and reflects our dedication to a fair and just workplace.



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Focus Area: Social



Diversity and Inclusion Initiatives:

- **Inclusive Workforce:**
We actively foster diversity and inclusion within our workforce, recognizing the strength that comes from diverse perspectives and experiences.
- **Equal Opportunity Employment:**
Our commitment to equal opportunity employment ensures a fair and inclusive recruitment process, enabling individuals from all backgrounds to contribute to our collective success.



Employee Well-Being:

- **Health and Wellness Programs:**
Initiatives promoting physical and mental well-being, such as fitness programs, mental health resources, and wellness workshops, contribute to a holistic approach to employee health.
- **Work-Life Balance:**
Flexible work arrangements and policies that prioritize work-life balance empower our employees to excel in their professional roles while maintaining a healthy personal life.



Recognition and Rewards:

- **Performance-Based Recognition:**
Outstanding performance is acknowledged and rewarded through performance-based recognition programs, fostering a culture of excellence and motivation.
- **Career Advancement Opportunities:**
Clear career paths and opportunities for advancement ensure that our employees foresee a bright future for themselves with eXtra, promoting loyalty and dedication to our shared success.



Employee Engagement:

- **Open Communication Channels:**
Transparent communication channels, including regular town halls and feedback mechanisms, ensure that our employees are engaged, heard, and involved in decision-making processes.
- **Fostering Social Well-being:**
Our commitment to sustainability extends beyond environmental considerations to encompass the well-being of our employees. We recognize the importance of a vibrant and engaged workforce in achieving long-term success. To nurture a positive and collaborative workplace culture, we regularly organize a series of employee engagement events, which are designed not only to provide recreational opportunities but also to strengthen the social fabric of our organization..



Metrics and Success Stories:

- **Key Performance Indicators (KPIs):**
Quantifiable metrics, such as employee retention rates, training completion rates, and employee satisfaction scores, provide insights into the success of our Human Capital Development initiatives.



Conclusion:

As we continue to invest in the development of our human capital, we are not just building a workforce; we are cultivating a community of empowered individuals ready to drive eXtra's success into the future. Our commitment to Human Capital Development remains at the heart of our journey toward excellence.

+3,000

Total Employees at eXtra

+30

Average Training Hours per Employee

53%

Saudization Rate

90,000 Hours

Total Training Hours for Employees

30

Nationalities



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Focus Area: Governance



Focus Area: Governance

Strengthening Governance: Board Independence, Leadership, and Diversity

This section sheds light on eXtra's commitment to governance excellence, focusing on three crucial pillars: Board Independence and Leadership, Board Skills and Diversity, and Nomination Process Oversight. These pillars form the foundation of our corporate governance framework, ensuring transparency, accountability, and effective decision-making.



Saudi Vision 2030

Strengthening Governance: Board Independence, Leadership, and Diversity aligns with Saudi Vision 2030 by emphasizing governance and leadership excellence. The initiative contributes to the Vision's goal of fostering a dynamic and accountable business environment and supporting economic prosperity and sustainability.



UN SDGs

The initiative is aligned with the UN SDG 16 (Peace, Justice, and Strong Institutions) as it supports the establishment of accountable institutions. By focusing on Board independence, effective leadership, and diversity, the initiative contributes to global efforts dedicated to sustainable development and responsible governance.



Pillar 1

Pillar 1: Board Independence and Leadership:

Independent Board Members:

At eXtra, Independent Board Members play a pivotal role in upholding the principles of transparency, objectivity, and ethical governance. Our Board is fortified by seasoned individuals with no material relationships that could compromise their independence. These members contribute diverse perspectives, bringing impartial judgment to Board deliberations. This strategic composition reinforces our commitment to sound corporate governance, fostering an environment where decisions are made with the utmost integrity and in the best interest of all stakeholders.

For more information about eXtra's Board of Directors, please refer to page 40

Leadership Structure:

At eXtra, we firmly believe that no single individual should bear the weight of managing the entire Company. Our leadership structure is strategically designed to distribute authority across key roles, recognizing the strength that comes from collective expertise. This approach ensures that decision-making is collaborative, drawing on the diverse perspectives and skills of our leadership team.

By avoiding a concentration of power in the hands of one person, we promote a more resilient and adaptive organizational culture. This philosophy safeguards against potential risks associated with over-reliance on any individual, fostering a dynamic and inclusive leadership environment. Our commitment to shared responsibilities reflects our dedication to effective governance and positions eXtra ideally for sustained success in a rapidly evolving business landscape.

At eXtra, we take pride in our leadership structure, meticulously designed to uphold the principles of effective governance. A cornerstone of our approach is the clear separation of roles, ensuring distinct responsibilities for executive and non-executive functions. Central to this structure is the appointment of an independent chairman, whose impartial leadership fosters a balanced decision-making process.



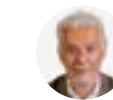
Abduljabbar AbdulRahman Mohamed AlAbduljabbar
Independent Chairman



Abdullah Ali Ibrahim Al-Majdouie
Independent Vice Chairman



Mansour AbdulAziz Rashid AlBosaily
Independent Member



Ali Mohamed Ali Faramawy
Independent Member



Mohamed Galal Ali Fahmy
Executive Member



Adel Omar Al Farouq Moreb
Non-Executive Member



Fozan Mohammed Ahmed Al Fozan
Non-Executive Member



Abdullatif Ali Abdullatif Al Fozan
Non-Executive Member

For additional information about eXtra's Board of Directors, please refer to page 40.



Pillar 2

Pillar 2: Board Skills and Diversity:

At eXtra, we acknowledge the pivotal role played by our Board of Directors in steering the Company toward excellence. Our commitment to board skills and diversity underscores our belief that a varied set of perspectives and competencies enhances innovation and ensures well-informed decision-making.

Our current Board composition encompasses a wide range of skills, backgrounds, and experiences. It reflects a strategic mix of expertise in various fields, including retail, finance, investment, IT, risk management, compliance, and governance.

By assembling a diverse Board, we enrich our discussions and cultivate a culture of continuous learning. This approach aligns with best governance practices and ensures that eXtra is well-positioned to navigate challenges and capitalize on opportunities in an ever-changing business landscape.

We firmly believe that embracing diversity in skills and backgrounds at the Board level strengthens our capacity for strategic thinking, fosters creativity, and ultimately contributes to the long-term success of eXtra.

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Pillar 3

Pillar 3: Nomination Process Oversight: eXtra recognizes the critical role that a well-structured Board nomination process plays in ensuring the Company's success. Our commitment to excellence and diversity in leadership is embedded in a meticulous nomination framework.

• **Key Elements of Our Board Nomination Process:**

- ▶ **Competency-Based Selection:** Candidates are evaluated based on their skills, experience, and industry knowledge. This approach ensures that our Board Members possess the necessary expertise to guide eXtra effectively.
- ▶ **Diversity:** We prioritize diversity in our Board composition. Embracing diversity enriches our Board discussions and fosters a dynamic and inclusive governance culture.

• **Nomination Committee Functions:**

The Nominations and Remuneration Committee, led by an independent chairman, plays a pivotal role in ensuring the effectiveness and robustness of eXtra's Board of Directors. The committee's mandate includes:

- ▶ **Nomination Oversight:** Assessing suitability and recommending candidates for the Board and its subcommittees, aligning with regulatory guidelines and Company policies.
- ▶ **Annual Skills Review:** Conducting an annual review of the skills and competencies required for Board Membership, ensuring alignment with the Company's strategic objectives.
- ▶ **Qualification Standards:** Drafting clear descriptions of qualifications and capacities for Board Members, including time commitments for Board and subcommittee activities.
- ▶ **Structural Evaluation:** Regularly reviewing the structure of the Board and its subcommittees, identifying strengths and weaknesses, and providing recommendations for improvement.
- ▶ **Regulatory Compliance:** Ensuring compliance with regulatory authorities' guidelines in the nomination process, enhancing transparency and accountability.

Related party transactions

Related party transactions refer to business dealings or financial transactions that occur between a company and its related parties. Related parties typically include entities or individuals who have a close relationship with the company. Below are the general policies that govern related party transactions:

- Board Members need annual authorization from the General Assembly to be involved in transactions.
- Board Members must disclose any direct or indirect interests in transactions during Board meetings.
- Board Members with interests in transactions are prohibited from voting on related decisions.
- Transactions exceeding 1% of total revenues must be promptly disclosed to the regulatory authority and the public through the tadawul portal.
- The annual Board report must detail related party transactions, including names, nature, terms, and amounts. If no such transactions occurred, a declaration to that effect is required.
- The Ordinary General Assembly can delegate approval authority to the Board of Directors under specific conditions.
- Summary of Procedures for Related Party Transactions approval process as per eXtra's policies:
 - ▶ Board Members with an interest notify the Board of Directors.
 - ▶ The Board reviews the notification and seeks recommendations to present proposed transactions to the Audit Committee.
 - ▶ The Audit Committee studies the notification and evaluates the proposed transaction, providing its recommendation to the Board.
 - ▶ The Board votes to approve or reject the transaction based on the Audit Committee's recommendation, and the interested Board Member cannot participate in the vote. If approved, the transaction begins effective from the Board's approval date.
 - ▶ The Board informs the General Assembly about transactions involving a Board Member's interest, and the Board Member cannot vote during the General Assembly meeting. The notification must include an auditor's report.

For more details regarding the transactions concluded during 2023, please refer to page 52

eXtra's Audit Committee, which is comprised of independent members, oversees related party transactions. The committee plays a crucial role in evaluating the materiality and fairness of these transactions, contributing to the overall effectiveness of our governance structure.

These procedures are in place to ensure transparency, proper scrutiny, and adherence to governance principles in related party transactions. Strict measures are in place to handle potential conflicts of interest, safeguarding the integrity of the decision-making process.

Future Commitments

At eXtra, we are deeply committed to both enhancing diversity on our Board and continuously developing our leadership team. We actively welcome individuals with a diverse range of skills, backgrounds, and experiences, underscoring our dedication to fostering an inclusive and dynamic leadership environment. Simultaneously, we prioritize continuous Board development through ongoing learning opportunities, regular assessments, and proactive succession planning. This commitment ensures that our leadership remains well-prepared and effective in guiding eXtra toward sustained success.



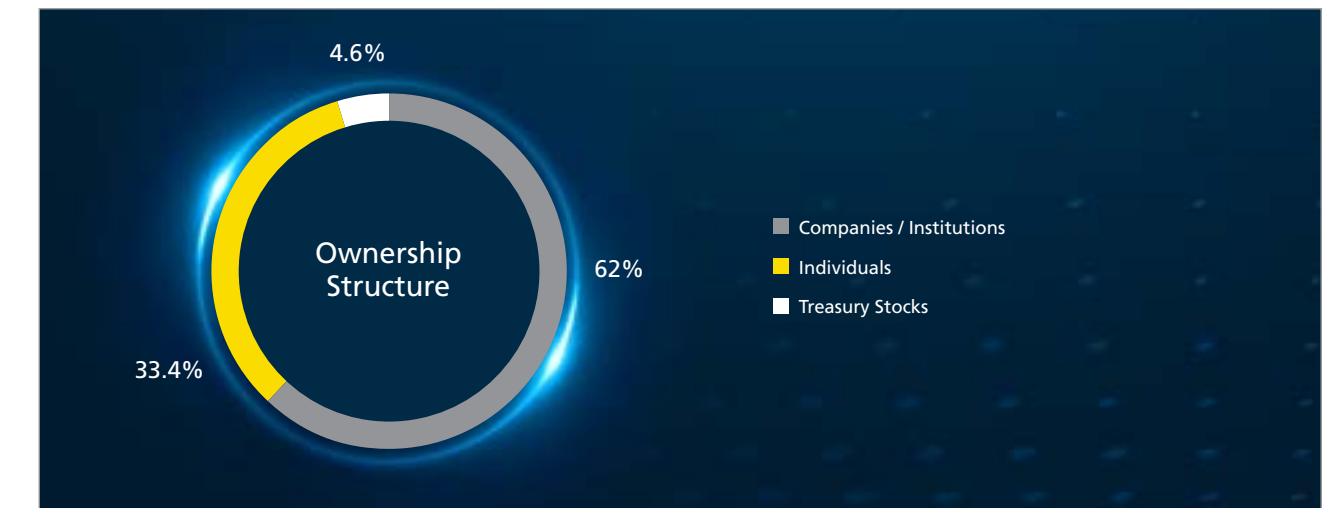
Conclusion:

The principles of Board independence, leadership, diversity, and nomination process oversight are integral to our governance philosophy. This section reflects our steadfast commitment to

these principles, ensuring eXtra's governance framework aligns with the standards of integrity and effectiveness.

Fostering Equity and Shareholder Empowerment

This section delves into eXtra's ownership structure and governance policies, emphasizing our commitment to transparency, fairness, and empowering shareholders.



Cumulative Voting "One Share, One Vote":

eXtra is committed to transparent representation through the practice of cumulative voting, upholding the principle of "One Share, One Vote." This approach ensures that each shareholder's voting power aligns with their shareholding, fostering fairness and equality in decision-making. Our dedication to this principal underscores transparency, accountability, and an inclusive approach to corporate governance.



Board of Directors Elections:

At eXtra, we uphold the principles of transparency and fairness in the election of our Board Members. The Board of Directors' election process is conducted periodically, providing shareholders with a clear and equitable opportunity to influence the composition of the Board. Our commitment to democratic governance ensures that each shareholder's voice is heard, contributing to the overall accountability and responsiveness of our leadership structure.



Shareholders' Rights at eXtra:

- The Board of Directors ensures the equitable treatment of shareholders without discrimination.
- Internal policies define procedures for shareholders to exercise their rights.
- Shareholders have entitlements, such as receiving profits, accessing Company assets, attending assemblies, disposing of shares, and accessing Company information.
- They can inquire about and access Company records and documents, monitor Company performance, hold the Board accountable, and challenge decisions.
- The Board commits to providing complete, clear, and non-misleading information.
- Information is communicated through effective means without discrimination.
- The Chairman and CEO keep the Board informed of shareholder views.

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Future Commitments:

- **Enhanced Shareholder Communication:**
At eXtra, we place significant emphasis on transparent and frequent communication with our shareholders. Our commitment is to ensure the timely and accurate dissemination of information through various channels. This practice aims to foster a clear understanding of the Company's strategic objectives and ongoing activities. We believe in maintaining an open line of communication to keep our shareholders well-informed.
- **Regular Governance Updates:**
As part of our dedication to transparency and stakeholder engagement, eXtra is committed to providing regular updates on our corporate governance practices. These updates serve to maintain



Conclusion:

At eXtra, we believe in fostering a governance framework that upholds shareholder rights, transparency, and equity. This section reflects our ongoing commitment to empowering shareholders and maintaining a governance structure that aligns with the highest standards of integrity and accountability.

transparency and facilitate ongoing communication with our shareholders and stakeholders. By keeping our governance practices accessible and comprehensible, we aim to strengthen the trust and engagement of our valued stakeholders in the governance processes of eXtra.

Executive and Director Compensation Disclosure

This section provides a comprehensive disclosure on the compensation structure for eXtra's executives and directors, encompassing salary details, short- and long-term incentives, pensions, benefits, and any one-off payments.



Executive Compensation:

Our executive remuneration policy at eXtra is designed to recognize and reward the annual performance of our executive management, aligning with the objectives set by the Board of Directors. The policy includes an annual performance bonus linked to both Company and individual executive performance. This structure is intended to attract and retain skilled professionals, enhance performance, and align executive efforts with the Company's annual goals. Compensation is directly tied to the Company's operational results, reflecting both individual and collective performance. The Nomination and Remuneration Committee (NRC) may recommend exceptional rewards for outstanding performance, and the implementation involves a transparent review and approval process by the Board of Directors and the NRC.



Governance and Oversight:

- **Nomination and Remuneration Committee:**
The NRC is tasked with formulating a comprehensive remuneration policy for Board Members, Board Committees, and Executive Management. The policy ensures alignment with the Company's strategy, fostering long-term success and growth. Remuneration is determined based on position, responsibilities, qualifications, experience, skills, and performance. It considers the size and nature of risks, avoids unwarranted increases, and benchmarks against industry practices. The policy targets attracting, retaining, and motivating competent professionals, emphasizing fairness and avoiding undue compensation.



Directors' Compensation:

In adherence to the Companies Law, Corporate Governance Regulations, and Capital Market Authority regulations, our Board of Directors ensures fair and justified compensation for each member. The criteria considered include competence, responsibilities, alignment with yearly objectives, and recommendations from the NRC. Compensation is tailored to the Company's size, sector, and the experience of Board Members, aiming to attract and retain qualified individuals. Independent members' compensation is unrelated to the Company's profitability.



Conclusion:

This disclosure provides stakeholders with a transparent overview of the compensation structure for executives and directors, demonstrating eXtra's commitment to fairness, performance alignment, and responsible governance.

Upholding Business Ethics: Policies and Practices

At eXtra, we uphold the highest standards of business ethics and integrity as fundamental pillars of our corporate culture. Our commitment to ethical conduct permeates every aspect of our operations, guiding our interactions with stakeholders, employees, customers, and the communities we serve. Key elements of our approach to business ethics and integrity include:



Saudi Vision 2030

Upholding Business Ethics: Policies and Practices, which directly aligns with Saudi Vision 2030 by prioritizing ethical conduct and transparent business practices. This commitment reflects eXtra's dedication to contributing to the Vision's goal of fostering a diverse and globally competitive economy and promoting sustainability and ethical business environments.



UN SDGs

The initiative is in alignment with SDG 16 (Peace, Justice, and Strong Institutions) as it contributes significantly to the establishment of accountable and inclusive institutions. By fostering ethical conduct, anti-corruption practices, and transparency, eXtra actively supports broader global efforts for sustainable development, particularly in creating a just and transparent society.



Code of Conduct:

We have a comprehensive Code of Conduct that outlines the ethical principles and values we expect all employees to adhere to. This code serves as a guide for ethical decision-making and behavior in all business dealings.



Compliance with Laws and Regulations:

We are committed to full compliance with all applicable laws, regulations, and industry standards in every jurisdiction where we operate. Our compliance approach is regularly updated to reflect changes in regulatory requirements.



Zero-Tolerance for Corruption and Bribery:

We maintain a zero-tolerance approach with regards to corruption, bribery, and unethical practices of any kind.



Ethics Reporting Mechanisms – Whistleblower Channels:

At eXtra, we are dedicated to upholding the highest ethical standards. We have established robust whistleblower channels to empower employees and stakeholders by allowing them to report concerns about unethical behavior confidently and without the fear of retaliation. Our whistleblower protection mechanisms are designed to ensure confidentiality and safeguard individuals who raise legitimate concerns.



Next Step:

As part of our future commitment, we will specifically focus on expanding and enhancing anti-corruption training and ethics programs for our employees. By providing targeted education for these areas, we aim to empower our team, enabling them to navigate ethical challenges effectively and contribute to a workplace culture that rejects corruption in all its forms.

100%

of the received reports have been thoroughly addressed and resolved, demonstrating the effectiveness of our ethical reporting mechanisms.

Conclusion

This section affirms eXtra's unwavering dedication to conducting business ethically and transparently. It reinforces the Company's commitment to integrity, fair practices, and the highest ethical standards in all its interactions.

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

CORPORATE GOVERNANCE



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Board of Directors

The Board of Directors of the United Electronics Company "eXtra" is comprised of (9) members as outlined by the Company's articles of association. As of 31 December 2023, the Company's Board of Directors consisted of the following members:



**Abduljabbar AbdulRahman
Mohamed AlAbduljabbar**

Independent Chairman

- ▶ **Current position:**
Managing Director 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 and Minerals, 1986
More than 35 years of experience in information technology 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
Social Development Bank
- ▶ **Companies where the BOD member was on the board:**
Arabian Advanced Systems – Syria



Abdullah Ali Ibrahim Al-Majdouie

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.
Dana Gas Sharjah – Listed Company
Prince Mohammed bin Fahd International University
Dhahran International Expos
Raya Financing
Star Marine Services – Outside KSA
Almajdouie De Rijke
- ▶ **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
Arab Union for Land Transport – Outside KSA
The National Center for Family Enterprises
Public Transportation Authority

- ▶ **Committee membership:**
Chairman of the Nomination and Remuneration Committee



Mansour AbdulAziz Rashid AlBosaily

Independent Member

- ▶ **Current position:**
Member of multiple Boards 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 and 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 bank's corporate governance framework and oversaw its implementation. He was also 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:**
Saudi Arabian Ground Services – Listed Company
Al Rajhi Bank
Sinad Holding Company SJSC
- ▶ **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
Amlak International – Listed Company
Aseer Trading, Tourism and Manufacturing Co. – Listed Company
Gas Arabian Services
- ▶ **Committee membership:**
Chairman of the Audit Committee
Member of the Nomination and Remuneration Committee

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



Mohamed Galal Ali Fahmy

Executive Member

▶ **Current position:**
MD and 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
United International Holding Company
Halwani Brothers Company – 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 experience Digital Transformation Partnerships

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

▶ **Companies where the BOD member was on the board:**
National Bank of Egypt – Outside KSA



Fozan Mohammed Ahmed AlFozan

Non-Executive Member

▶ **Current position:**
Al Fozan 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 AlFozan Co.
Al Fozan Holding Group
Madar Building Materials
Bawan
Retal Urban Development
Ajwad Holding
Al Yamamah Steel
United Co. for Financial Services
BLOMINVEST
Ascend Advanced Healthcare Solutions

▶ **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.

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility



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:**
Al Badia Cement – Outside KSA
United Cables – Outside KSA

▶ **Companies where the BOD member was on the board:**
United Homeware Co. (NICE)
Saudi Bloom Investment Company

▶ **Committee membership**
Nomination and Remuneration Committee

As per the Company's articles of association, the Board of Directors is comprised of nine members, and as of 31 December 2023, the Board of comprised of eight members, with one vacant seat.

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 until the end of the current session of the Board of Directors, which will end on 12 May 2024. The appointment was approved at the General Assembly meeting held on 1 May 2023.

eXtra's Board of Directors decided on 18 June 2023 to accept the resignation of Mr. Ahmed Yousef Ahmed AlSaqr from membership of the company's Board of Directors.



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:**
Bachelor's degree in Economics from the University of Toronto
Served as a Corporate Banking Manager at the Saudi French Bank, an M&A Advisor at Ernst & Young, a Business Development and Corporate Investment Manager at Al Fozan Holding Company, and is the founder and MD of Ascend for Healthcare Services

▶ **Companies where the BOD member is currently on the board:**
Al Fozan Holding Company
First Real Estate Development Holding Company
Ajdan Real Estate Development Company
Ascend Advanced Healthcare Solutions Company
Athman Medical Care Holding Company
Saudi Industrial Machinery Company Vision Nutrition Company
Samaya Investment Company
United Home Appliances Company
Rufah Gulf Company
Limited Household supplies trading company
Alpha Financial Corporation
United Financial Services Company
Tadbeer Environmental Services Company
Rushd Financial Company
Saudi Reinsurance Company – Listed Company

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

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



Mohamed Ibrahim AbdelAziz AlObeed

Audit Committee Member

- ▶ **Current position:**
Consultant
- ▶ **Previous positions:**
Vice President of Governance, and Secretary General 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

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 of Directors' Meetings in 2023

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Name	Board of Directors Meetings in FY2023							
	2 Mar	12 Apr	22 May	9 Jul	30 Jul	26 Sep	11 Dec	28 Dec
1 Abduljabbar Abdulrahman Mohamed Al Abduljabbar	√	√	√	√	√	√	√	√
2 Abdullah Ali Ibrahim Al-Majdouie	×	√	√	√	×	×	√	√
3 Mansour AbdulAziz Rashid AlBosaily	√	√	√	√	√	√	√	√
4 Ahmed Yousef Ahmed AlSaqr*	√	√	√	NA	NA	NA	NA	NA
5 Mohammed Galal Ali Fahmy	√	√	√	√	√	√	√	√
6 Fozan Mohammed Ahmed Al Fozan	√	√	√	√	√	√	√	√
7 Ali Mohamed Ali Faramawy	√	√	√	√	√	√	√	√
8 Adel Omar Al Farouq Merheb	√	√	√	√	√	√	√	√
9 Abdullatif Ali Abdullatif Al Fozan	√	√	√	√	√	√	√	√

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

Date of last General Assembly meeting: Sunday 03 December 2023

*Mr. Ahmed Yousef Ahmed AlSaqr stepped down from the Board of Directors due to personal issues, and his resignation was approved by the Board on 18 June 2023.

Board Members' Attendance of General Assemblies Held During 2023

BOD Member's Name	General Assembly Held on 01 May 2023	General Assembly Held on 03 December 2023
Abduljabbar Abdulrahman Mohamed Al Abduljabbar	√	√
Abdullah Ali Ibrahim Al-Majdouie	×	√
Mansour AbdulAziz Rashid AlBosaily	√	√
Ahmed Yousef Ahmed AlSaqr*	×	NA
Mohammed Galal Ali Fahmy	√	√
Fozan Mohammed Ahmed Al Fozan	√	√
Ali Mohamed Ali Faramawy	√	√
Adel Omar Al Farouq Merheb	√	√
Abdullatif Ali Abdullatif Al Fozan	√	√

√ - Present in person × - Absent NA - not a board member at this 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 NRC evaluates the performance of the Board's various committees in accordance with the tasks assigned to them by the Board.

The NRC 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 NRC, which recommends the required improvements, if any.

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

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. The relevant laws and regulations were taken into account when amending the regulations and processes of the Audit Committee, which was approved by the General Assembly held on 03 December 2023

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, with regards to whether the Board's reports 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 unfamiliar 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 that 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 FY2023:

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 2023, the committee convened four times as follows:

Name	Position	Audit Committee Meetings in FY2023			
		9 Feb	04 May	27 July	26 Oct
Mansour AbdulAziz Rashid AlBosaily	Chairman	√	√	√	√
Jasem Shaheen Al Romeihy	Member	√	√	√	√
Mohamed Ibrahim AbdelAziz AlObeed	Member	√	√	√	√
Mohammed Farhan ben Nader	Member	√	x	√	√
		√ - Present in person	x - Absent		

Internal Audit Department:

The Internal Audit 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 Internal Audit Department has implemented the following activities to improve eXtra's internal control environment:

- ▶ Implementing the Internal Audit's annual plan for 2023 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 Internal Audit 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 HR 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.

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

The Audit Committee's 2023 review found no shortcomings or significant deficiencies in eXtra's internal control, financial, and risk management systems.

It is noteworthy that the Audit Committee prepared a report regarding its observations on the efficiency of the Company's internal control systems and 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 2024. The findings were as follows:

- ▶ No inherent deficiencies worthy of disclosure were detected regarding 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 2023.
- ▶ Measures for all the observations and recommendations submitted by the Internal Audit Department to the Audit Committee were ratified accordingly.

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 2024. Auditors' remuneration for the statutory audit of the Group's consolidated financial statements and the financial statements of its subsidiaries for the year ended 31 December 2023 amounts to SAR 1.1 million. Auditors' remuneration for the review of the Group's interim financial information for the year ended 31 December 2023 amounts to SAR 0.3 million. Fee for other special purpose audits, interim reviews, zakat / tax compliance and other services related to United International Holding Company's Initial Public Offering application, provided by the auditors of the Group amounts to SAR 4.1 million.

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

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.

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 renomination of its members in accordance with approved policies and standards, preparing a description of the capabilities and qualifications required for the Board membership and Executive Management positions.

The committee is also tasked with annually reviewing the skills and expertise required for 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 FY2023:

In accordance with the governance guidelines approved during the General Assembly, the Nomination and Remuneration Committee convenes at the request of its chairman. During 2023, the committee convened three times as follows:

Name	Position	Nomination and Remuneration Committee Meetings in FY2023		
		8 Feb	22 Jun	17 Dec
Abdullah Ali Ibrahim Almajdouie	Chairman	√	√	√
Mansour AbdulAziz Rashid AlBosaily	Member	√	√	√
Ahmed Yousef Ahmed AlSaqr*	Member	x	NA	NA
Adel Omar Al Farouq FY2023	Member	√	√	√
		√ - Present in person	x - Absent	NA - not a board member at this time

* Mr. Ahmed AlSaqr 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 18 June 2023. On 8 January 2023, the Board of Directors decided to appoint Mr. Adel Omar Al Farouq Merheb as a member of the Nomination and Remuneration Committee, effective as of the date of the Board's decision until the end of the current Board of Directors session on 12 May 2024.



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Board of Directors and Related Committees' Remuneration:

eXtra's remuneration policy was formulated in accordance with the 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, as well as the Executive Management, taking into account 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 determine 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 remuneration and compensations.

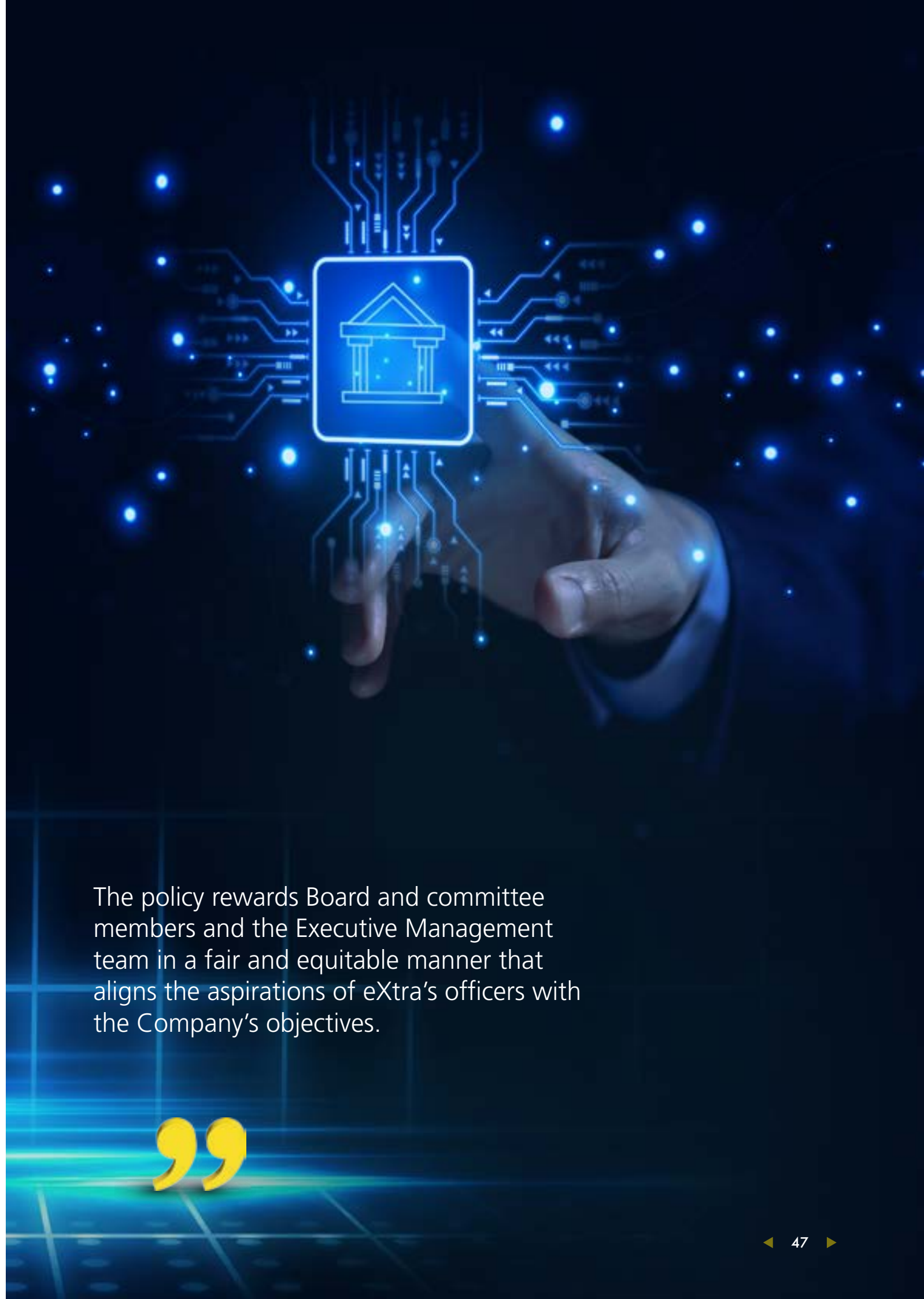
- ▶ Attract talented professionals and retain and motivate them without exaggeration.
- ▶ Be prepared, in coordination with the Nomination Committee, with regards to new appointments.
- ▶ Take into consideration situations where remuneration should be suspended or reclaimed if it is determined that such 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 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:

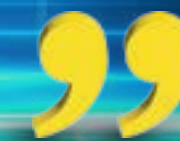
- ▶ An annual performance-based bonus in accordance with the remuneration policy.
- ▶ Allowance for the attendance of Board or committee meetings (for each meeting), in addition to the disbursement of a transportation allowance and overnight allowance if the member's permanent residence is outside the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



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.



Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Board of Directors Remuneration SAR

Total remuneration paid to members of the Board and five senior executives during the year ending 31 December 2023 was as follows:
Remuneration of Board Members (for their membership of the Board of Directors)

Name	Fixed Remuneration						Variable Remuneration					End of Service Reward	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	Total	Percentage from Profits	Periodic Bonuses	Short-term incentive plans	Long-term incentive plans				Shares granted	Total
Independent Members																
Abdul Jabar Abdul Rahman Mohammed al Abdul Jabar	400,000	12,000	-	-	-	-	412,000	-	-	-	-	-	0	-	412,000	15,100
Abdullah Ali Ibrahim Almajdouie	280,000	6,000	9,000	-	-	-	295,000	-	-	-	-	-	0	-	295,000	-
Mansour AbdulAziz Rashid AlBosaily	280,000	12,000	21,000	-	-	-	313,000	-	-	-	-	-	0	-	313,000	10,000
Khaled Malek Al Galeb Al Sharif	280,000	-	-	-	-	-	280,000	-	-	-	-	-	0	-	280,000	-
Ali Mohamed Ali Faramawy	280,000	12,000	-	-	-	-	292,000	-	-	-	-	-	0	-	292,000	10,000
Total	1,520,000	42,000	30,000	0	0	0	1,592,000	0	0	0	0	0	0	0	1,592,000	35,100
Non-Executive Members																
Ahmed Yousef Ahmed AlSaqr	280,000	3,000	-	-	-	-	283,000	-	-	-	-	-	0	-	283,000	0
Fozan Mohammed Ahmed Al Fozan	280,000	12,000	-	-	-	-	292,000	-	-	-	-	-	0	-	292,000	15,100
Adel Omar Al Farouq Moreb	280,000	12,000	9,000	-	-	-	301,000	-	-	-	-	-	0	-	301,000	-
Abdullatif Ali Abdullatif Al Fozan	-	12,000	-	-	-	-	12,000	-	-	-	-	-	0	-	12,000	-
Total	840,000	39,000	9,000	0	0	0	888,000	0	0	0	0	0	0	-	888,000	15,100
Executive Members																
Mohammed Galal Ali Fahmy	280,000	12,000	-	-	-	-	292,000	-	-	-	-	-	0	-	292,000	-

Notes:

- ▶ Mr. Khaled Malek Al Sharif stepped down from his position on the Board of Directors for personal reasons, and his resignation was accepted by the Board on 20 December 2023.
- ▶ On 29 January 2023, the Board of Directors approved the appointment of Mr. Abdullatif Ali Abdullatif Al Fozan as a Board member.
- ▶ Mr. Ahmed AlSaqr stepped down from his position on the Board of Directors for personal reasons, and his resignation was accepted by the Board on 18 June 2023.

On 7 December 2023 (corresponding 23/05/1445H), eXtra's Board of Directors formed a specialized committee to advise eXtra's shareholders on significant transactions pursuant to Article 122 of the Rules on the Offer of Securities and Continuing Obligations. The Specialized Committee consists of the following independent members:

- ▶ Mr. Mohammed Ahmed Youssef Abdelmalek
- ▶ Mr. Ali Mohamed Ali Faramawy
- ▶ Mr. Abdulaziz Abdulhamid Al Bassam

The bonuses received by the committee members were as follows:

Committee Chairman: SAR 120,000
Committee Member: SAR 80,000

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Committee Members Remuneration SAR

Name	Fixed Remuneration	Attendance Allowance	Total
Members of the Audit Committee			
Mansour Abdul Aziz Rashed Al Busaily	120,000	12,000	132,000
Jasem Mohammed Shaheen Hamad Majed Al Romeihy	80,000	12,000	92,000
Mohammed Farhan Mohammed ben Nader	80,000	9,000	89,000
Mohamed Ibrahim AbdelAziz AlObeed	66,000	12,000	78,000
Mr. Abdul Moaty Wasfy Abdul Kereem Abdul Hady	14,000	-	14,000
Total	360,000	45,000	405,000
Members of the Nomination and Remuneration Committee			
Abdullah Ali Ibrahim Almajdouie	120,000	9,000	129,000
Ahmed Yousef Ahmed AlSaqr	80,000	-	80,000
Mansour Abdul Aziz Rashed Al Busaily	80,000	9,000	89,000
Khaled Malek Al Galeb Al Sharif	80,000	-	80,000
Adel Omar Al Farouq Moreb	-	9,000	9,000
Total	360,000	27,000	387,000

Notes:

- ▶ The Board of Directors accepted the resignation of Mr. Abdul Moaty 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.
- ▶ On 7 December 2023, the Board of Directors appointed a specialized committee for the purpose of advising eXtra's shareholders on the material transaction relating to the listing of United International Holding Company on the stock exchange.
 - ▶ Mr. Mohamed Ahmed Youssef Abdel Malek
 - ▶ Mr. Ali Mohamed Ali Al Faramawy
 - ▶ Mr. Abdelaziz Abdelhameed Al bassam
- ▶ On 8 January 2023, the Board of Directors appointed Mr. Adel Moreb to the Nomination and Remuneration Committee.
- ▶ The remuneration received by the committee members were as follows:
Committee Chair: SAR 120,000
Committee Member: SAR 80,000
- ▶ Mr. Ahmed AlSaqr stepped down from his position on the Nomination and Remuneration Committee for personal reasons, and his resignation was accepted by the Board on 18 June 2023.

Executive Management Remuneration SAR

Details of the remuneration paid to the top five executives, including the Executive Board member and the CFO during 2023.

SAR Job Title	Fixed Remuneration			Variable Remuneration					Total Exec Remuneration of Board Member	Grand Total		
	Salary	Allowances	In-kind Benefits	Periodic Bonuses	Earnings	Short Term Incentive Plans	Long Term Incentive Plans	Shares Granted				
1 Top 5 Executives (Incl. Executive Board Member and CFO)	6,360,000	4,479,371	-----	10,839,371	9,648,000	-----	-----	329,868	53,044,615*	73,532,526	292,000	73,824,526
Total	6,360,000	4,479,371	-----	10,839,371	9,648,000	-----	-----	329,868	53,044,615	73,532,526	292,000	73,824,526

* Long-term remuneration in the form of shares distributed as part of the employee share program (long-term incentive Plan), launched in 2018 for the purpose of achieving the Company's long-term strategic goals across all fronts by integrating management objectives with shareholder value, in addition to retaining competent and experienced employees. This is in return for the performance of the Company's management team throughout the previous years between FY2019 and FY2021. Worth noting that the market value of those shares was around SAR 19.2 million at the date of distribution, and that any increase in their value since then was a result of the exceptional performance of the Company over the past years.

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 disclosing 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.

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman’s Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director’s Responsibility

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 set the Audit Committee’s 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 NRC 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 ensure 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.

The Company has previously aligned its bylaws, as well as several corporate governance policies, and the charters of its Audit and its Remuneration and Nominations Committees with the relevant regulatory changes, which were approved by the General Assembly held on 03 December 2023.

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	
Article 68	Responsibilities of the Risk Management Committee	Guiding Article The Board of Directors will form a Risk Management Committee whenever it deems it necessary
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 “Ertiqaa”, through which the Company aims to promote a culture of environmental preservation.
Article 85	Social Work Initiatives	Guiding Article 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 the 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 it deems it necessary.
Article 92	Formation of the Corporate Governance Committee	

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

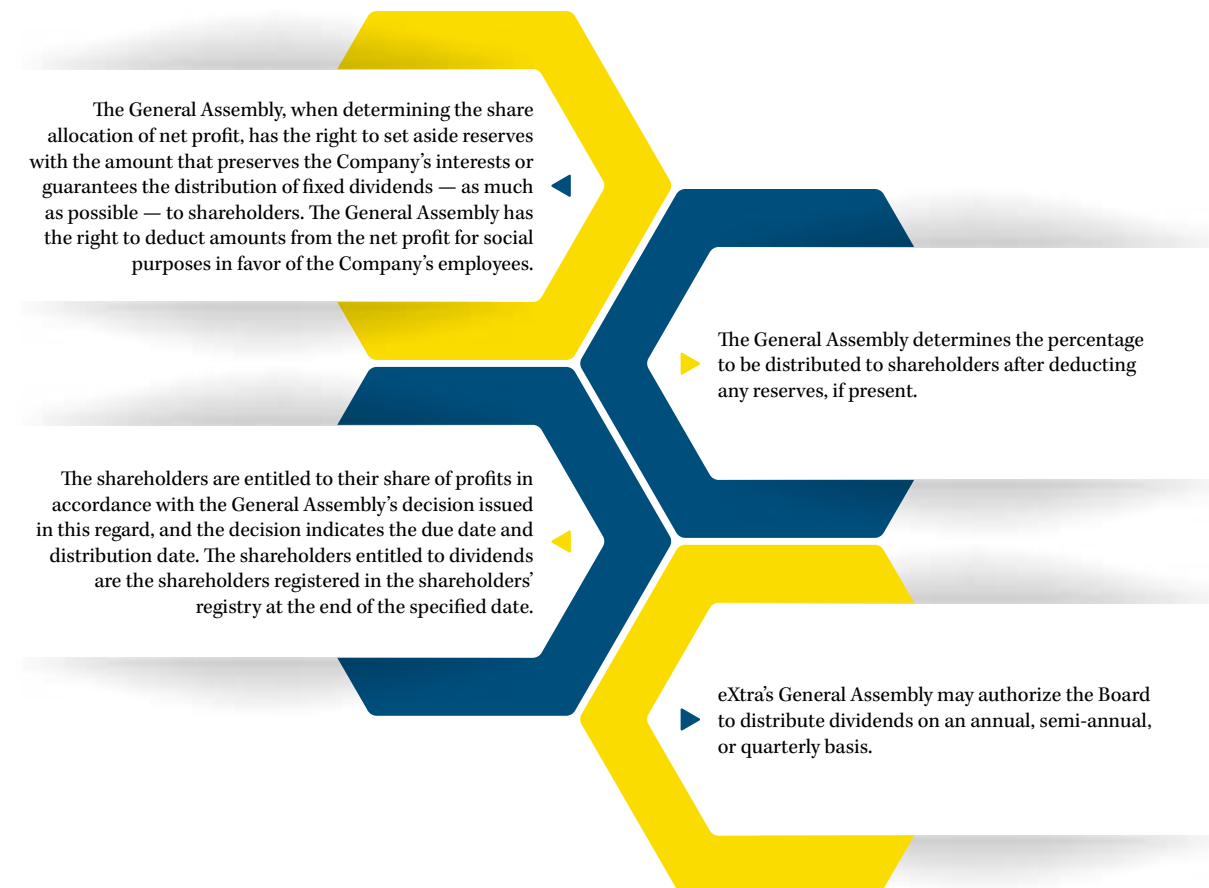
- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Dividends Policy

In accordance with Article 40 of the Company's bylaws,



eXtra achieved a payment rate of 61% of total net income for the period between 2011 and 2023. 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 1 May 2023, the General Assembly voted to authorize the Board to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2023, 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 1.7 billion since its listing on Tadawul in 2011.

Accordingly, on 13 April 2023, the Board of Directors opted to distribute SAR 160,000,000, or SAR 2 per share, as a cash dividend for the second half of 2022, representing 29% of the Company's share capital.

On 31 July 2023, the Board decided to distribute SAR 120,000,000, or SAR 1.5 per share, as a cash dividend for the first half of 2023, representing 15% of the Company's share capital.

On 06 March 2024, the Board decided to distribute SAR 160,000,000, or SAR 2 per share, as a cash dividend for the second half of 2023, representing 20% 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	310	70%	4.5
2023	390.49	280	72%	3.5

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.

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Related Party Transactions

Leases from Related Parties

Lessor	Description	Value SAR / Year	Start Date	Duration	Repayment
Abdul Latif & Mohamed Al Fozan 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 25,000 paid during 2023.

Leases to Related Parties

Lessor	Description	Value SAR	Start Date	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 343,991 collected from United Homeware during 2023.

Other Transactions

- 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 1,693,612 during 2023.
- eXtra 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 Madar for Tools and Equipment worth SAR 1,323,368.
- ▶ Sales to Al Fozan Holding Group worth SAR 307,783.
- ▶ Transactions with United Homeware Company worth SAR 113,505.

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 had been agreed upon from previous years and are an extension of ongoing relationships that started before FY2023. The External Auditor's report on these transactions will be presented at the first General Assembly meeting of shareholders during the first half of 2024 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
Abdul Latif & 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	
Rental for Real Estate Development	
	Fozan Mohammed Al Fozan
Al Fozan holding Group	Abdullatif Ali Al Fozan
	Adel Omar Al Farouq 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.

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Subsidiaries

The following table presents eXtra's subsidiaries, their equity capital, eXtra's equity share, main activity, country of operation, and country of origin:

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.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
United Electronics Company (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 Electronics Company (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.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
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.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
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.	Bahrain	Bahrain

Shareholder & Investor Information

Pain-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.

Treasury shares maintained by the Company and their utilization

Treasury shares maintained by the Company as at 31 Dec	Value	Date of Maintenance	Utilization
3,794,115	37,941,150**	18 September 2018*	Employee Stock Option Plan (Long-term incentive)

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

** Par value of shares

Changes in Equity Shareholding during FY2023

Changes in Equity shareholding of Board Members and their Spouses and Minor Children

#	Name	Nationality	# of Shares Beginning 2023	# of Shares End of 2023	% Change	Relatives Ownership		Debt Instruments
						# of Shares Beginning 2023	# of Shares End 2023	
1	Abdul Jabar Abdul Rahman Mohammed Al Abdul Jabar	Saudi	-	-	-	-	-	-
2	Abdullah Ali Ibrahim Almajdouie	Saudi	1,280	1,280	-	-	-	-
3	Mansour Abdul Aziz Rashed AlBosaily	Saudi	2,045	2,045	-	-	-	-
4	Ali Mohamed Ali Faramawy	Canadian	-	-	-	-	-	-
5	Mohammed Galal Ali Fahmy	Egyptian	2,243,351	2,643,351	17.83%	-	-	-
6	Fozan Mohammed Ahmed Al Fozan	Saudi	2,457	2,457	-	-	-	-
7	Adel Omar Al-Farouk Moreb	Lebanese	-	-	-	-	-	-
8	Abdullatif Ali Abdullatif Al Fozan	Saudi	-	-	-	-	-	-

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

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

#	Name	Position	# of Shares Beginning 2023	# of Shares End of 2023	1 st Degree Relatives Ownership	Debt Instruments
1	Mohammed Galal Ali Fahmy	CEO and MD	2,243,351	2,643,351	-	-
2	Wael Mohamed Mohamed Khalil	CFO	4,134	35,359	-	-

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.

Name	01/01/2023		31/12/2023	
	Shares	Percentage	Shares	Percentage
Al Fozan Holding Group	18,946,113	23.68%	16,000,000	20%
United Electronics Company (eXtra)	4,815,781	6.02%		Less than 5%

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

Should the Board of Directors receive 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 FY2023. 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 2023, the Company retrieved 14 requests for shareholder registers through the TADAWULATY service as presented in the table below:

Date of Request	Reason for Request
22/05/2023, 06/08/2023	Dividends File
01/05/2023, 03/12/2023	General Assembly
02/11/2023, 02/10/2023, 04/09/2023, 19/07/2023, 03/07/2023, 04/06/2023, 03/04/2023, 02/03/2023, 02/02/2023, 02/01/2023	Relations Purposes Investor

Introduction

- ▶ At a Glance
- ▶ 2023 Highlights
- ▶ Chairman's Note

Business Overview

- ▶ Our Markets
- ▶ Our Network
- ▶ Our Lines of Business
- ▶ Our Strategy
- ▶ 2023 Financial Highlights
- ▶ Risks and Mitigants
- ▶ Our People

Sustainability in Action

- ▶ Sustainability at eXtra
- ▶ Focus Area: Environment
- ▶ Focus Area: Social
- ▶ Focus Area: Governance

Corporate Governance

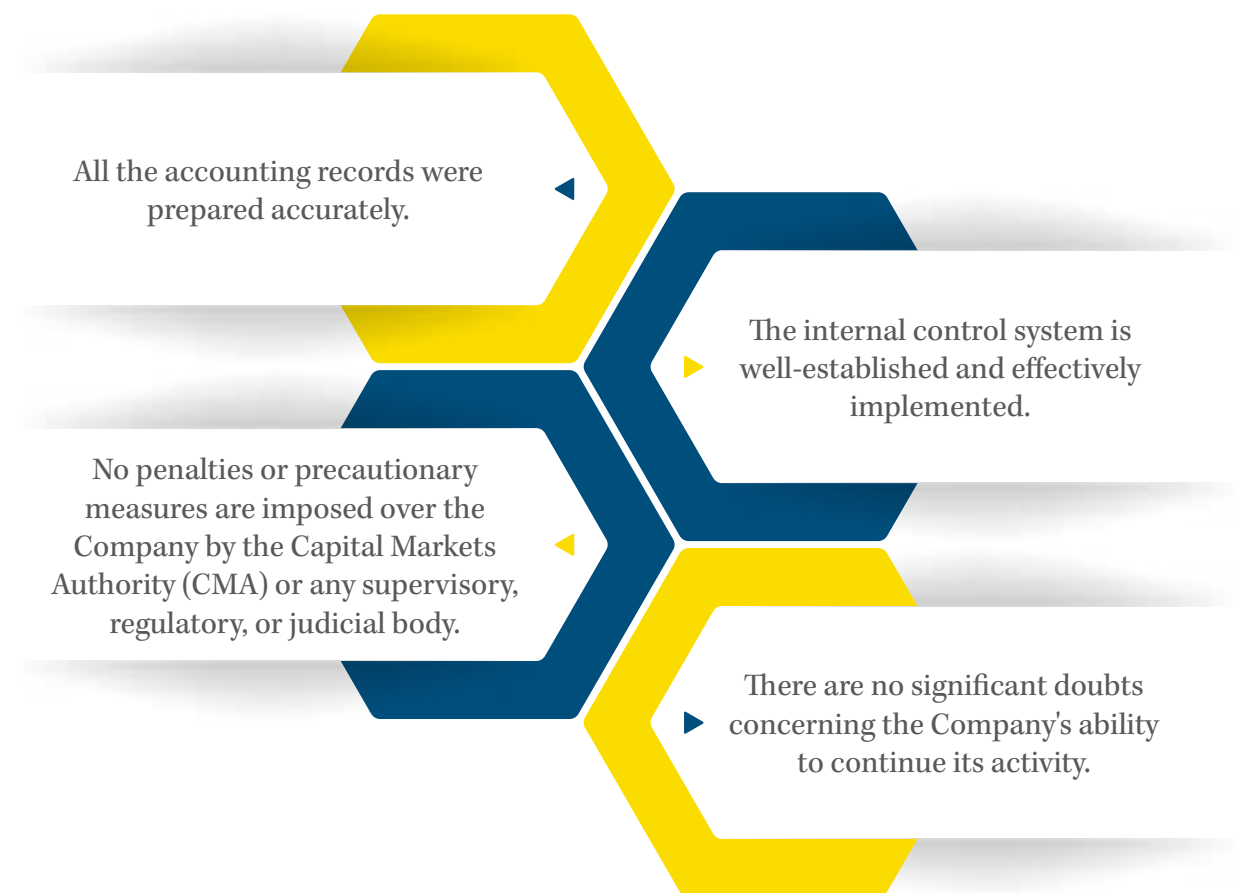
- ▶ Board of Directors
- ▶ The Audit Committee
- ▶ The Nomination and Remuneration Committee
- ▶ Corporate Governance Statement
- ▶ Related Party Transactions
- ▶ Subsidiaries
- ▶ Shareholder and Investor Information
- ▶ Company Disclosures on Tadawul
- ▶ Director's Responsibility

Company Disclosures on Tadawul

Disclosure no.	Disclosure date	Headline
1	10/1/2023	United Electronics Company (Extra) announces the Estimated financial results for the period ending on 31-12-2022 (Twelve Months)
2	25/1/2023	United Electronics Company (Extra) announces a strategic partnership with "Panda"
3	30/1/2023	United Electronics Company (Extra) announces the appointment of a new Board of Directors Member
4	14/2/2023	United Electronics Company (Extra) announces full year financial results for the period ending on 31-12-2022
5	9/4/2023	United Electronics Company (eXtra) invites its Shareholders to attend the Ordinary General Assembly Meeting (First Meeting) by Means of Modern Technology
6	13/4/2023	United Electronics Company (Extra) announces the estimated financial results for the period ending on 31-03-2023 (Three Months)
7	13/4/2023	United Electronics Company (Extra) announces the Board of Directors' decision to distribute cash dividends to shareholders for the second half of 2022
8	1/5/2023	United Electronics Company (Extra) announces the Board of Directors' decision to halt expansion operations in the Arab Republic of Egypt
9	2/5/2023	United Electronics Company (eXtra) announces the results of the Ordinary General Assembly (First Meeting)
10	8/5/2023	United Electronics Company (Extra) announces the preliminary financial results for the period ending on 31-03-2023 (Three Months)
11	30/5/2023	United Electronics Company (eXtra) releases a clarification regarding media reports of a potential IPO for one of its subsidiaries
12	19/6/2023	United Electronics Company (Extra) announces the resignation of one of its Board of Directors members
13	10/7/2023	United Electronics Company (eXtra) announces the estimated financial results for the period ending on 30-6-2023 (Six Months)
14	31/7/2023	United Electronics Company (eXtra) announces the preliminary financial results for the period ending on 30-6-2023 (Six Months)
15	31/7/2023	United Electronics Company (Extra) announces the Board of Directors' decision to distribute cash dividends to shareholders for the first half of FY2023
16	9/10/2023	United Electronics Company (Extra) announces the estimated financial results for the period ending on 30-9-2023 (Nine Months)
17	30/10/2023	United Electronics Company (Extra) announces the preliminary financial results for the period ending on 30-9-2023 (Nine Months)
18	5/11/2023	United Electronics Company (eXtra) announces the results of the Extraordinary General Assembly (Second Meeting)
19	4/12/2023	United Electronics Company (eXtra) announces the results of the Extraordinary General Assembly (Second Meeting)
20	5/12/2023	United Electronics Company (Extra) announces the signing of a business agreement with Panda that sees eXtra manage the electronics and home appliances section in Panda's stores
21	31/12/2023	United Electronics Company (Extra) announces its intention to begin the IPO process for its subsidiary United International Holding

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, enabling us to maintain our position as the retailer of choice for electronics and household appliances.

Abduljabbar Abdulrahman Mohamed Al AbdulJabbar

Chairman of the Board

Mohamed Galal Ali Fahmy

Managing Director and CEO