

## **Report – Board of Directors**

## Contents

<b>FOREWORD .....</b>	<b>3</b>
<b>ACTIVITIES – 2024 .....</b>	<b>4</b>
<b>FUTURE PLANS.....</b>	<b>4</b>
<b>BOARD – COMPOSITION.....</b>	<b>6</b>
<b>BOARD – ASSOCIATION .....</b>	<b>6</b>
BOARD’S ROLES AND RESPONSIBILITIES.....	7
BOARD COMPOSITION AND DIVERSITY .....	7
STAKEHOLDER ENGAGEMENT .....	7
<b>BOARD MEETINGS – 2024.....</b>	<b>7</b>
<b>REVIEWS – FINANCIAL STATEMENT, RISK AND COMPLIANCE .....</b>	<b>8</b>
<b>CORPORATE GOVERNANCE .....</b>	<b>10</b>
RISK AND COMPLIANCE COMMITTEE.....	10
POLICIES AND PROCEDURES.....	11
<b>COMPENSATION AND REMUNERATIONS – BOARD MEMBERS AND SENIOR EXECUTIVES .....</b>	<b>12</b>
SENIOR EXECUTIVES.....	12

## Foreword

We are pleased to present the Board of Directors and Committee Reports for the fiscal year ended December 31, 2024.

The year 2024 has been marked by unprecedented volatility across global markets, driven by complex macroeconomic headwinds, geopolitical tensions, and structural shifts in regulatory landscapes. Against this backdrop of uncertainty and transformation, Awaed has remained steadfast in its mission to deliver long-term value creation, maintain operational resilience, and uphold the integrity of its governance framework.

This report is a reflection of our ongoing efforts to position Awaed at the vanguard of financial stewardship, transparency, and sustainability. It encapsulates the Board's collective diligence in shaping a governance architecture that is robust, agile, and fully aligned with the highest international standards.

As we publish this report, we reiterate our unwavering commitment to reinforcing a forward-looking Governance and Sustainability System, one that adapts to emerging risks, capitalizes on strategic opportunities, and contributes to building a resilient, ethical, and high-performing investment platform.

We thank our shareholders, regulators, partners, and employees for their continued trust and support.

Awaed Alosool Capital Saudi Closed Joint Stock Company with Paid Up Capital of SR 82,000,000.00. licensed by the Capital Market Authority. Commercial Registration No. 1010734817. Head Office: Mohammed Al Zawahri district 2890, Al Orouba Street, HomeOffice # 19, Riyadh, 6755, Saudi Arabia.

## Activities – 2024

The Board of Directors is pleased to announce in its annual report that Awad has achieved significant milestones, marking a year of significant growth and expansion. In 2024, we have successfully established and offered US stocks to our Saudi clients, marking another key achievement in our growth strategy. Additionally, we have made significant progress in fulfilling the necessary requirements to offer Saudi stocks to our clients through Tadawul, bringing us closer to becoming a leading player in the Saudi financial market. Our team has worked diligently to ensure compliance with all regulatory frameworks, and we are now on track to expand our offerings further. This year has truly been a transformative period for Awaed, laying the foundation for even more growth and success in the years to come.

The company is currently working to enhance its unified application for trading across multiple markets and investing in multiple assets, supported by an advanced financial technology platform. This progress underscores its commitment to leveraging advanced technologies to deliver superior service quality and operational efficiency. These achievements reflect Awad's dedication to excellence and its vision to consolidate its position as a leading financial institution in the financial services sector.

Currently, we are in the process of enhancing our single application for multi market trading and multi asset investing, incorporating a state-of-the-art Fintech platform. This advancement underscores our commitment to leveraging cutting-edge technology to deliver superior service quality and operational efficiency. These achievements reflect Awaed 's dedication to excellence and our strategic vision to position ourselves as a leading player in the financial services sector.

## Future plans

Awaed is undergoing a strategic transformation to enhance its operational efficiency and market reach. Key structural changes may include:

**Technology Infrastructure Overhaul:** Implementing advanced technological solutions to streamline brokerage and asset management operations, improve customer experience, and ensure robust security measures.

**Human Capital Development:** Investing in the professional development of its workforce to align with the evolving financial landscape and regulatory requirements.

**Corporate Governance Enhancement:** Strengthening corporate governance practices to support transparency, accountability, and strategic decision-making processes.

**Brokerage Services for Tadawul:** Preparing to offer comprehensive brokerage services for the Saudi Stock Exchange (Tadawul), aiming to focus on retail investors. This move is expected to significantly increase its market presence and customer base.

**Launching New Funds and Financial Products:** The company plans to launch several funds and financial products tailored to meet the diverse investment needs and risk profiles of its clients. These offerings may include mutual funds and bespoke investment solutions focusing on various sectors and geographical regions.

**Future Expectations** Looking ahead, Awaed is poised for significant growth, with a few expectations outlined below:

**Market Leadership:** By entering the brokerage services for Tadawul and launching innovative financial products, Awaed aims to establish itself as a market leader in the financial services sector in the region.

**Client Base Expansion:** These strategic moves are expected to attract a broader client base, including high-net-worth individuals, corporate clients, and international investors looking to invest in the Middle Eastern markets.

**Regulatory Compliance and Innovation:** Ongoing commitment to regulatory compliance and innovation will be crucial in navigating the complexities of financial markets and meeting the evolving needs of clients. Awaed Alosool Capital's strategic plans indicate a proactive approach to leveraging opportunities in the financial markets, enhancing its service offerings, and expanding its footprint in the industry. The success of these initiatives will depend on effective execution, market conditions, and the company's ability to adapt to the rapidly changing financial landscape.

In conclusion, since obtaining our license in March 2023, Awaed Alosool Capital has embarked on a remarkable journey, marked by significant achievements and promising prospects. Our successful inception into the US stock market via our Fintech platform stands as a testament to our innovative capabilities and our commitment to providing exceptional value to our customers. As we look forward, we are excited about the opportunity to expand our offerings and introduce a diverse range of valuable financial products tailored to meet the needs of our customers in Saudi Arabia. This endeavor not only reflects our dedication to excellence and customer satisfaction but also reinforces our position as a forward-thinking leader in the financial sector. With a solid foundation established in our inaugural year and a clear vision for the future, Awaed Alosool Capital is poised for continued growth and success. We express our sincere gratitude to our esteemed board of directors for their unwavering support and guidance, and we eagerly anticipate the opportunities that lie ahead as we continue to innovate, expand, and serve our valued customers.

## Board – Composition

1. Faisal Khamisi – Chairman Board – Non-Executive Member
2. Sami Al Hilwa – Vice Chairman – Non-Executive Member
3. Mutb Al Qani – Board Member – Non-Executive Member
4. Sultan Ghaznawi – Board Member – Non-Executive Member
5. Adel Ateeq – Board Member – Executive Member
6. Sultan Al Anezi – Independent
7. Abdullah Al Ribdi – Independent

## Board – Association

Entities (inside and outside the Kingdom) of which a member of the board of directors of Awaed Alosool Capital is a member of its boards of directors or one of its directors:

Board member – Name	Company (s)	Position
Faisal Khamisi	<ol style="list-style-type: none"> <li>1. The Saudi Federation for Cyber Security and Programming (SAFCSP)</li> <li>2. Tuwaiq Academy (<i>Parent organization, SAFCSP</i>)</li> <li>3. Barraq Company</li> <li>4. Cloud Computing Company</li> <li>5. Sahm Capital</li> <li>6. Gulf Applications Company (<i>GAAP</i>)</li> <li>7. United Technologies Company</li> </ol>	<ol style="list-style-type: none"> <li>1. Chairman of the Board</li> <li>2. Chairman of the Board</li> <li>3. Chairman of the Board</li> <li>4. Chairman of the Board</li> <li>5. Board Member</li> <li>6. Board Member</li> <li>7. Chairman of the Board</li> </ol>
Mutb Al Qani	<ol style="list-style-type: none"> <li>1. The Saudi Federation for Cyber Security and Programming (SAFCSP)</li> <li>2. Barraq Company</li> <li>3. Saudi Crafts and Handicrafts Company</li> <li>4. United Technologies Company</li> </ol>	<ol style="list-style-type: none"> <li>1. Board Member</li> <li>2. Board Member</li> <li>3. Board Member</li> <li>4. Board Member</li> </ol>
Sami Al Hilwa	<ol style="list-style-type: none"> <li>1. Exa Information Technology</li> <li>2. Nana Company</li> </ol>	<ol style="list-style-type: none"> <li>1. Chairman of the Board</li> <li>2. Board Member</li> </ol>
Sultan Ghaznawi	<ol style="list-style-type: none"> <li>1. Scene Investments</li> <li>2. Sak Real Estate Company</li> <li>3. Barraq Company</li> </ol>	<ol style="list-style-type: none"> <li>1. Chairman of the Board</li> <li>2. Board Member</li> <li>3. Board Member</li> </ol>
Adel Ateeq	<ol style="list-style-type: none"> <li>1. Securities depository center</li> <li>2. Boudl Hotel &amp; Resorts</li> <li>3. Riyadh Valley Company</li> <li>4. Almajal Alarabi Holding Company</li> <li>5. Abdulatif Jameel Enterprises</li> </ol>	<ol style="list-style-type: none"> <li>1. Board Member</li> <li>2. Board Member</li> <li>3. Board Member</li> <li>4. Board Member</li> <li>5. Board Member</li> </ol>
Abdullah Al Ribdi	<ol style="list-style-type: none"> <li>1. Rasana Capital</li> <li>2. Bunat Venture</li> </ol>	<ol style="list-style-type: none"> <li>1. Board Member</li> <li>2. Board Member</li> </ol>
Sultan Al Anezi	Tap Payments	Board Member

## Board's Roles and Responsibilities

The Board shall oversee the business of the Awaed, including approving and overseeing the implementation of the Awaed's risk strategy, corporate governance rules and principles of professional conduct. This report outlines our efforts to maintain high standards of corporate governance and implement effective controls to ensure the integrity of our operations and financial reporting. The Board is also responsible for supervision of Senior Management. Members of the Board shall carry out the tasks and responsibilities entrusted to them by ensuring that adequate policies and procedures for supervision and control of the Awaed's performance are in place. Establishment of committees, reviewing reports by risk, compliance & audit and providing instructions to resolve the breaches in a timely manner.

## Board Composition and Diversity

The Board of Directors is composed of highly experienced individuals with diverse backgrounds and expertise. Our Directors bring a wealth of knowledge and experience to the company, and their skills and perspectives help us make informed decisions that benefit our shareholders and stakeholders.

We recognize the importance of diversity in the Boardroom and are committed to promoting diversity and inclusion in all aspects of our business. We have established policies and programs to increase diversity on our Board and in our workforce. We believe that a diverse and inclusive workplace is essential to our success and that it will help us better serve the needs of our clients and stakeholders.

## Stakeholder Engagement

Awaed is committed to engaging with our stakeholders and listening to their concerns and feedback. We regularly communicate with our clients, employees, regulators, and other stakeholders to ensure that we understand their needs and expectations.

We have established a robust client feedback program that enables us to gather feedback from our clients on our products and services. This feedback helps us identify areas where we can improve and develop new products and services that better meet the needs of our clients.

We also engage with our employees through various channels, including town hall meetings, employee surveys, and other forums. We value the input of our employees and use their feedback to improve our operations and create a positive and inclusive workplace culture.

## Board meetings – 2024

Board member Name	Faisal Khamisi	Mutb Al Qani	Sami Hilwa Al	Sultan Ghaznawi	Adel Ateeq	Sultan Al Anezi	Abdullah Al Ribdi
28/3/2024	X	X	X	X	X	X	X
27/6/2024	X	X	X	X	X	X	X
26/9/2024	X	X	X	X	X	X	X
26/12/2024	X	X	X	X	X	X	X

Present X

## Reviews – Financial Statement, Risk and Compliance

The Board of Directors has diligently reviewed the audited financial statements for the fiscal year ending in 2024, alongside the notes and records of the Risk and Compliance Committee's meetings.

Given that the company secured its CMI license in 2024, all reported assets, liabilities, and business outcomes are specific to the financial year 2024, as outlined in the subsequent table. Consequently, due to the company's licensing timeline, comparative results from the previous financial year are not relevant for 2024.

### Statement of Financial Position – As at December 31, 2024

	31-Dec-24	31-Dec-23
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property and equipment, net	1,133,124	1,303,385
Intangible assets, net	22,330,614	802,739
Work in progress	-	14,092,997
Right-of-use assets, net	1,994,497	3,340,353
Lease Receivable - Non current portion	603,904	-
<b>Total Non-Current Assets</b>	<b>26,062,139</b>	<b>19,539,474</b>
<b>Current Assets</b>		
Cash and cash equivalents	5,225,042	40,232,940
Prepayments and other debtors	6,873,815	1,796,762
Due from related parties	132,930	693,335
Lease Receivable - Current portion	129,120	-
<b>Total Current Assets</b>	<b>12,360,907</b>	<b>42,723,037</b>
<b>TOTAL ASSETS</b>	<b>38,423,046</b>	<b>62,262,511</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	82,000,000	50,000,000
Accumulated Losses	(52,790,134)	(27,295,701)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>29,209,866</b>	<b>22,704,299</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Lease liabilities -non-current portion	2,213,772	3,511,882
Employee defined benefits plan obligations	845,403	644,124
<b>Total Non-Current Liabilities</b>	<b>3,059,175</b>	<b>4,156,006</b>
<b>Current Liabilities</b>		
Lease liabilities - current portion	459,540	341,443
Accounts Payable	1,811,539	1,972,272
Accrued expenses and other creditors	169,503	222,169
Due to related parties	3,457,008	32,520,421
Zakat Provision	256,415	345,901
<b>Total Current Liabilities</b>	<b>6,154,005</b>	<b>35,402,206</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>38,423,046</b>	<b>62,262,511</b>



**Statement of Profit and Loss and other comprehensive Income – As at December 31, 2024**

	<b>31-Dec-24</b>	<b>31-Dec-23</b>
Income from asset management services	4,468,223	-
Income from brokerage services	5,694,126	-
Subscription fees	-	1,960,740
<b>Gross operating income</b>	<b>10,162,349</b>	<b>1,960,740</b>
Cost of services	(3,288,117)	(356,540)
<b>Total operating income</b>	<b>6,874,232</b>	<b>1,604,200</b>
Depreciation of property and equipment	(423,569)	(283,930)
Amortization of intangible assets	(1,583,341)	(88,932)
Depreciation of right-of-use assets	(386,730)	(835,088)
Finance costs of lease liability	(106,057)	(250,527)
Advertisement and campaign	(3,640,945)	(2,933,869)
General and administrative expenses	(30,070,061)	(20,570,658)
<b>Net operating loss</b>	<b>(29,336,471)</b>	<b>(23,358,804)</b>
Other revenue	3,590,437	1,903,246
<b>Net loss for the year before zakat</b>	<b>(25,746,034)</b>	<b>(21,455,558)</b>
Zakat reversal / (expense)	89,486	(345,901)
<b>Net loss for the year after zakat</b>	<b>(25,656,548)</b>	<b>(21,801,459)</b>

In the current financial year, the management was able to generate operating revenues from its asset management and brokerage services to support its higher operating cost. Further, management was able to finance its operating cost through internal financing rather than procure loans from any institutions or their affiliates. During the year financing was obtained from Sanabil Financial Company being one of the shareholder of the Company This financing amounted to a total of SAR 2,300,000 as of December 31, 2024.

In our comprehensive review of the Risk and Compliance Committee's notes and records of meetings conducted throughout the year, the Board of Directors is pleased to acknowledge the Committee's outstanding efforts and contributions. The Committee's rigorous oversight and proactive initiatives have been instrumental in fortifying Awaed's first line of defense, a crucial element in safeguarding our institution against significant regulatory challenges.

In conclusion, the Board acknowledges and appreciates the diligent work of all parties involved in the preparation of the financial statements and the effective governance practices exhibited by the Risk and Compliance Committee. We are confident that these efforts have significantly contributed to the institution's stability and growth, positioning us well for future challenges and opportunities.

## Corporate Governance

Awaed is committed to upholding the principles of transparency, accountability, and ethical conduct in all our business activities. To this end, we have established a comprehensive governance framework that is overseen by the Board of Directors. The Board is responsible for setting the company's strategic direction, overseeing management, and ensuring compliance with applicable laws and regulations.

During the past year, the Board has focused on enhancing its oversight of the company's risk management processes. We have implemented a risk management framework that provides a systematic approach to identifying, assessing, and managing risks. The Board regularly reviews and updates the framework to ensure that it remains effective in mitigating the risks facing the company.

We have also taken steps to strengthen our internal controls to prevent and detect fraud, errors, and other irregularities. Our internal control systems are designed to provide reasonable assurance that our financial reporting is accurate and reliable. We have established policies and procedures for financial reporting, and we regularly monitor and evaluate our controls to ensure they remain effective.

### Risk and Compliance Committee

The Risk and Compliance Committee is responsible for overseeing the company's risk management framework and ensuring that our risk management processes are effective in identifying, assessing, and managing risks, it complies with applicable laws and regulations, financial reporting processes and ensuring that our financial statements are accurate and reliable. The committee also oversees the company's internal audit function and external auditors.

Following our commencement in March 2023, we engaged our Risk Compliance department to contribute to the establishment of our first line of defense. This department has actively participated in the formulation of policies and procedures, and has provided crucial regulatory guidance to ensure the effective development of our systems and controls. Additionally, our Risk and Compliance team plans to perform a comprehensive regulatory risk assessment once our infrastructure is completed and we are fully operational.

The Risk and Compliance Committee, comprised of four senior executives, the Chief Compliance and Money Laundering Reporting Officer (MLRO), the Head of Risk Management, the Chief Financial Officer (CFO), and the Chief Executive Officer (CEO), serves as a governance body overseeing the firm's risk appetite, regulatory compliance posture, and internal control framework.

In 2024, the Committee convened in full quorum on July 31 and December 30 to conduct an in-depth review of the 2023 Annual Risk Report. The review included an evaluation of significant risk exposures, emerging risk trends, and compliance breaches.

The committee reviews and approves the company's risk appetite and tolerance levels and ensures that risk management policies and procedures are in place and up-to-date.

We are committed to maintaining high standards of corporate governance and implementing effective controls to ensure the integrity of our operations and financial reporting. We believe that these efforts will help us achieve our strategic objectives and create long-term value for our shareholders and stakeholders.

## Policies and procedures

### **Cybersecurity Policies and Procedures:**

During 2024, Awaed initiated the drafting of its Cybersecurity Policies and Procedures. This effort represents a critical step in formalizing the company's approach to managing cybersecurity risks and strengthening its overall information security posture. The drafting process includes defining the scope, structure, and foundational elements of cybersecurity governance, which will be finalized and implemented in the upcoming period.

### **Financial Reporting Policies and Procedures:**

To ensure the accuracy and integrity of its financial reporting, Awaed follows established policies and procedures aligned with relevant accounting standards and regulatory expectations. These encompass internal control policies, financial statement preparation protocols, and guidelines for the independent audit process.

### **Corporate Governance Policies and Procedures:**

Awaed remains committed to high standards of corporate governance through clearly defined policies and procedures. These documents articulate the roles and responsibilities of the Board and executive management, codify the company's ethical expectations, and outline mechanisms for shareholder engagement.

### **Information Technology Policies and Procedures:**

Awaed maintains comprehensive IT policies and procedures that govern data management, access control, system security, backup and recovery processes, and disaster recovery planning.

### **Current Inventory of Policies and Procedures:**

**As of the end of 2024, Awaed maintains the following policies and procedures:**

1. Code of Ethical Behavior
2. Risk Management Framework
3. Compliance Manual
4. Compliance Monitoring Manual
5. Anti-Money Laundering & Counter Terrorist Financing Policy
6. Business Continuity Policy
7. Asset Management Department Policy Manual
8. Brokerage Department Policy Manual
9. Finance Policy
10. Account Opening Policy
11. Human Resources Policy
12. Internal Audit Policy
13. Remuneration and Compensation Policy

## Compensation and Remunerations – Board members and Senior Executives

Senior executives.

Statement	Five Executives including the CEO	Board Members
Fixed Pay	4,740,000	-
Periodic and annual remunerations	-	-
Incentive plans	-	-
Commissions	-	-
Any compensations or other in-kind benefits paid monthly or annually	64,142	-
<b>Total</b>	<b>4,804,142</b>	-