

A man wearing a white thobe and a patterned ghutra is looking at a smartphone. The background is dark with blurred lights and faint green text, suggesting a digital or financial environment. A large red square is positioned behind the man's hands and the phone.

Financial Results Presentation

Investor Relations

Q3 2022



Strategy Overview

d digitize stc

- Instill digital mindset and unlock the potential of digital and analytics capabilities.
- Transform into an agile technology company and embrace new ways of working.

r reinvent experience


- Excite customers with a seamless, personalized and secure experience.
- Be the trusted partner-of-choice for business in the region.

a accelerate performance

- Maximize shareholder returns by transforming costs and monetizing assets.
- Connect our market through leading next-gen technology and digital offerings.
- Be a role model for sustainability and corporate governance.
- Lead company-wide culture change and be the employer of choice for top digital talent.

e expand scale and scope

- Grow by expanding into selected growth pillars. within digital services and core.



Company Overview

stc announced to establish a major digital hub "MENA Hub" for the Middle East and North Africa with an investment of 1 billion USD.

TAWAL announced its entry into the Pakistan's market via a potential acquisition of Awal Telecom.

stc and PIF to establish a company specialized in the field of Internet of Things (IoT)

solutions announced the signing of a sale and purchase agreement to acquire 89.49% of Giza System and 34% of Giza Arabia.

SCCC has been launched as a new joint venture formed by Alibaba Cloud, stc Group, eWTP Arabia, SCAL, and SITE.

stc announced to purchase a number of the company's share to allocate them within the Employee Stock Incentive Plan.

stc group to build East to Med Data Corridor (EMC) undersea and land fiber optic data cable that will link Europe with Asia, with Greek partners.

stc announced the landing of "Saudi Vision Cable,"; which is the first high-speed cable in the Red Sea through its first landing station in Jeddah.

The MENA Hub

TAWAL in Pakistan

stc & PIF New company

solutions by stc & Giza System Company

Launching Saudi Cloud Computing Company SCCC

Employee Stock Incentive Plan

Creating a New Global Submarine Cable

"Saudi Vision Cable" Launch

January February March April May June July August September

stc brand valued at USD 10.6 Billion

stc launched the new data center in Jeddah

stc increase its capital

Amendment of stc's dividend policy

Approval of stc's capital increase

stc is ranked as the most valuable brand amongst telecom companies in the region according to Brand Finance.

As part of the third phase of the data centers project, stc recently launched a new data center in Jeddah.

stc's board of directors recommended to the general assembly to increase stc's capital by 150% via granting bonus shares.

stc's board of directors recommended amend stc dividends policy to reflect the new proposed increase in stc's capital.

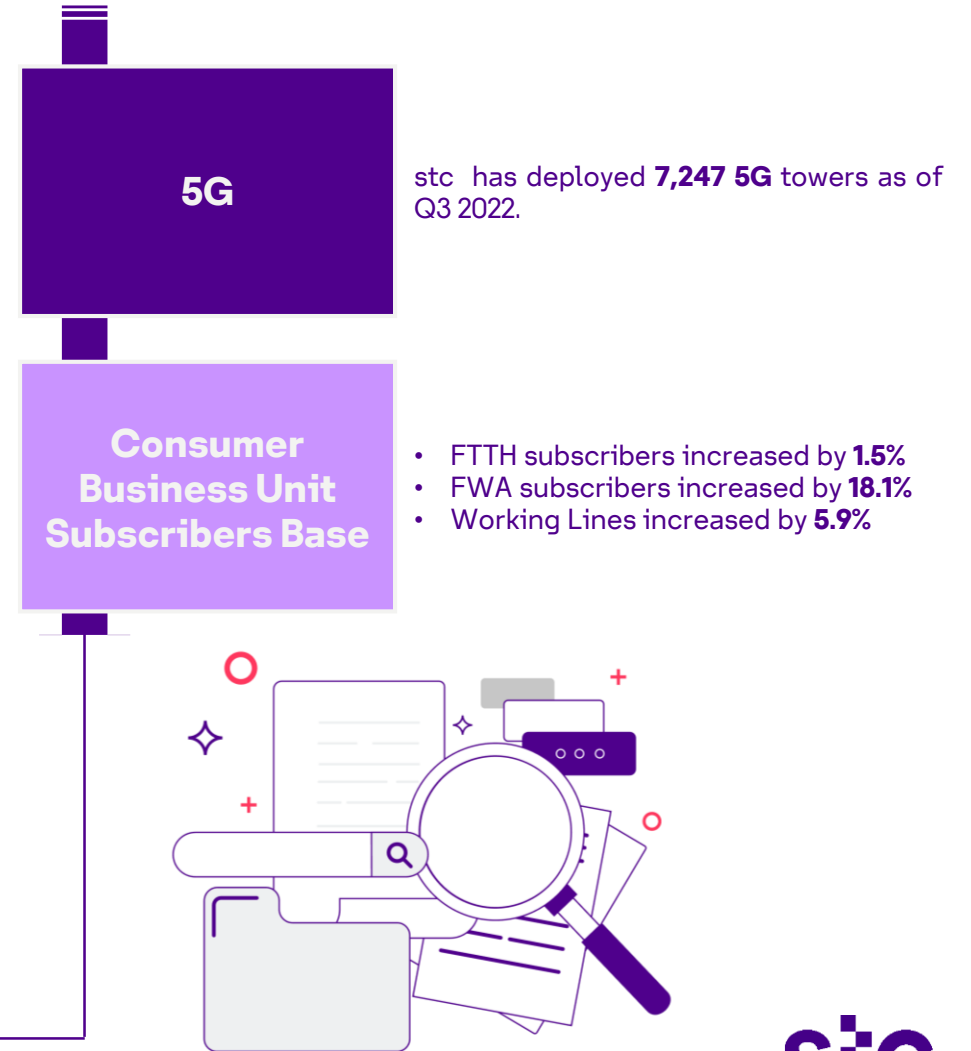
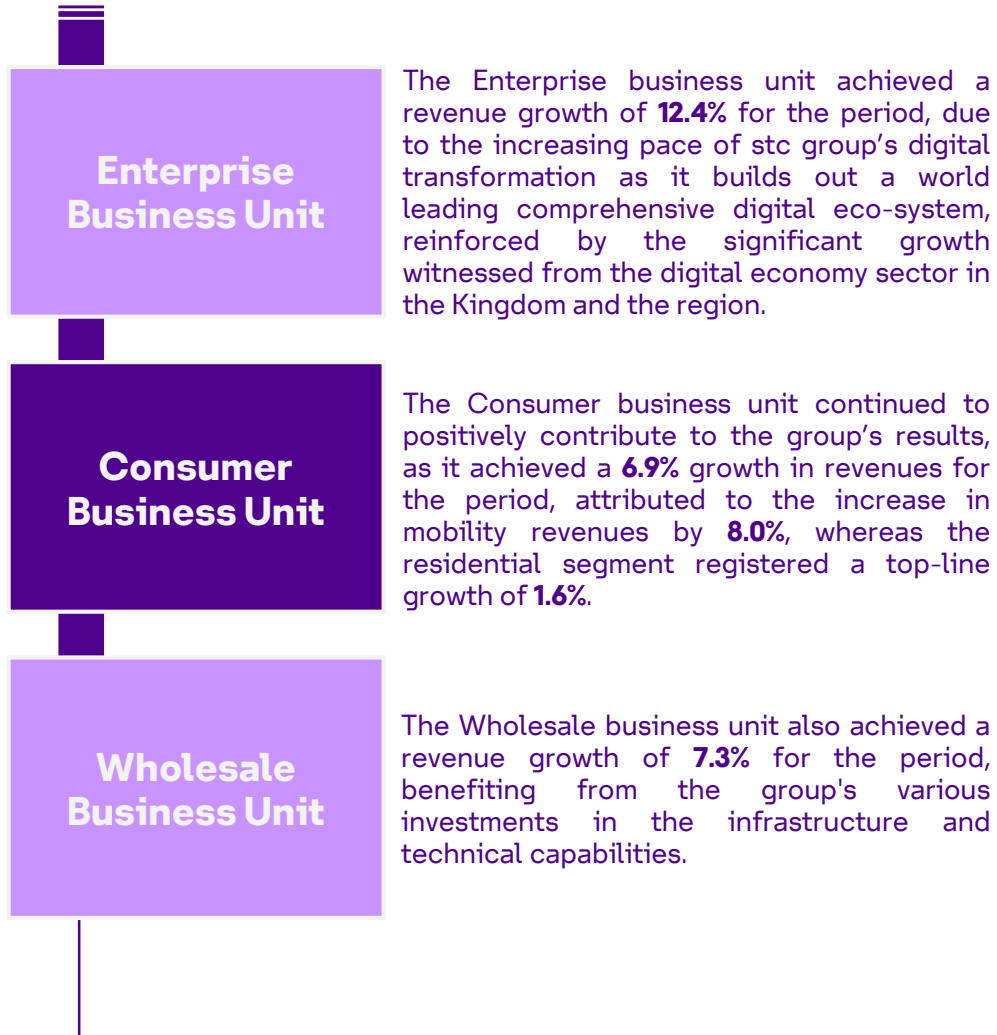
Shareholders of stc approved increasing the company's capital by 150% & the amendment of dividends policy.



Business Highlights

- ✓ stc group to build East to Med Data Corridor (EMC) undersea and land fiber optic data cable that will link Europe with Asia, with Greek partners.
- ✓ The Ministry of Tourism and the Saudi Tourism Authority signed a Memorandum of Understanding (MoU) with stc to support efforts to implement the digital tourism strategy in the Kingdom, as well as to provide a package of digital services that include technical solutions for tourism promotion, research, development and innovation of emerging technologies.
- ✓ sirar by stc and Saudi Fintech signed an agreement to support small and medium enterprises, financial technology companies and entrepreneurs to achieve innovation and diversity in products and services through digital platforms. Under the agreement, "sirar by stc" will offer a package reduced by up to 60% for the digital signature service that will benefit small and medium enterprises, financial technology companies and entrepreneurs.
- ✓ stc has obtained its local content score for year 2021 by 40.75% which is higher than the Local Content and Government Procurement Authority's (LCGPA's) benchmark by 10.75%. This score reflects the company's leadership position in maximizing local content in ICT sector and its role as a member of the Local Content Leadership Council.
- ✓ stc the leading Digital Enabler in the Kingdom has developed its 5G Infrastructure Capabilities through utilizing a new additional 5G spectrum to be the 1st Operator in MENA Region to enable 5G Carrier Aggregation technology. This is expected to boost the 5G network capacity up to 60% and improve download speeds for its subscribers. This development plan utilizes 2.3GHz band for 5G on more than 1000 sites as an initial phase, through reuse of the spectrum resources initially used for 4G which affirms stc's strategic commitment to adopt cutting edge technologies and services.
- ✓ stc announced the landing of "Saudi Vision Cable which is the first high speed cable in the Red Sea through its first landing station in Jeddah. With the name inspired by the KSA Vision 2030, the Saudi Vision Cable spans 1,160,000 meters and it is fully owned by stc Group. The Saudi Vision cable is the first ever high-capacity submarine cable in the Red Sea region that will provide seamless connectivity up to 18Tbps/fiber pair with a total of 16 fiber pairs through four landings in Jeddah, Yanbu, Duba, and Haql.
- ✓ stc's general assembly approved the company's capital by 150% through a bonus-share distribution. The increase is through capitalizing SAR 30 billion from the retained earnings via granting 1.5 share for each 1 share owned by shareholder on the eligibility date.
- ✓ In support to local content and to achieve its objective in localizing industries, stc Group with The Local Content and Government Procurement Authority LCGPA sponsored the partnership agreement for Localizing industries and data centers to enable the digital capabilities, which was signed by Huawei one of stc Group's partners, with the National Company, First Telecom Industries.
- ✓ As part of its commitment to advancing Saudi Arabia's tech landscape, stc has launched its Security Pass Program, a cybersecurity assurance program that encourages suppliers to obtain a certificate of compliance with cybersecurity controls to ensure suppliers' adherence to stc's stringent standards and encourage them to adopt cybersecurity best practices. stc is one of the first telecom companies in the world to launch such a program.
- ✓ stc Group participated in the 2nd edition of the Global Artificial Intelligence Summit held in Riyadh. The group presented its range of integrated digital solutions, including its AI infrastructure and AI-enabled platforms that serve the healthcare, research, agriculture, community, and other sectors.
- ✓ stc Group and "SDAIA" Saudi Data & Artificial Intelligence Authority signed a Memorandum of Understanding (MOU) in implementing several national initiatives to enhance the artificial intelligence and digital solutions.

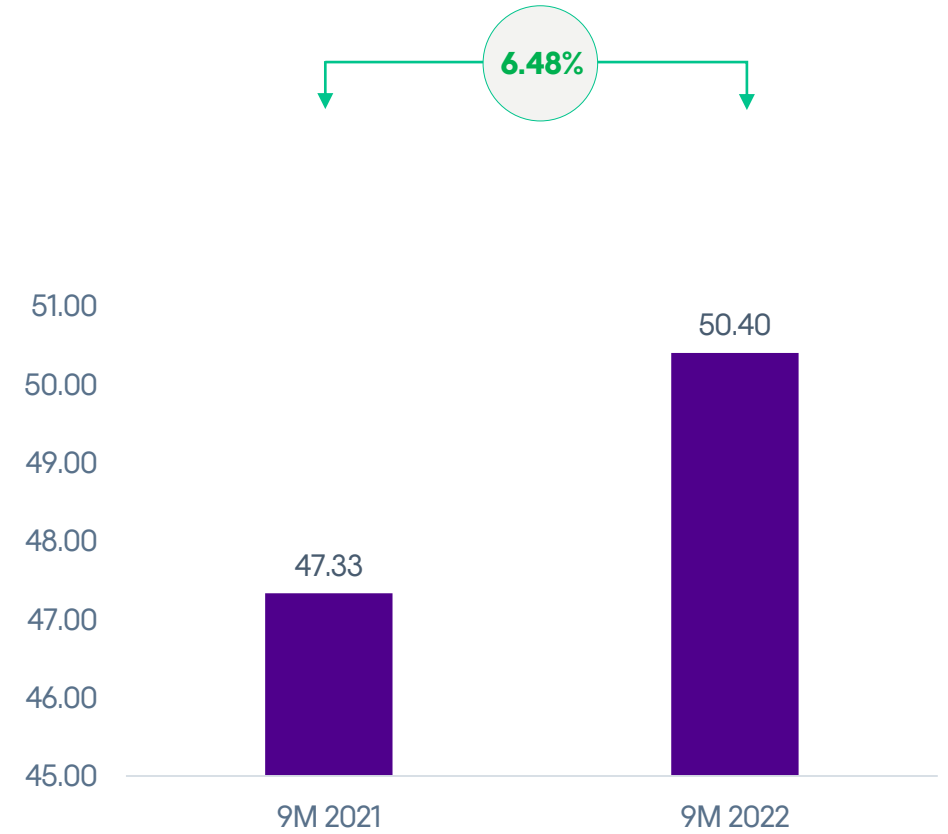
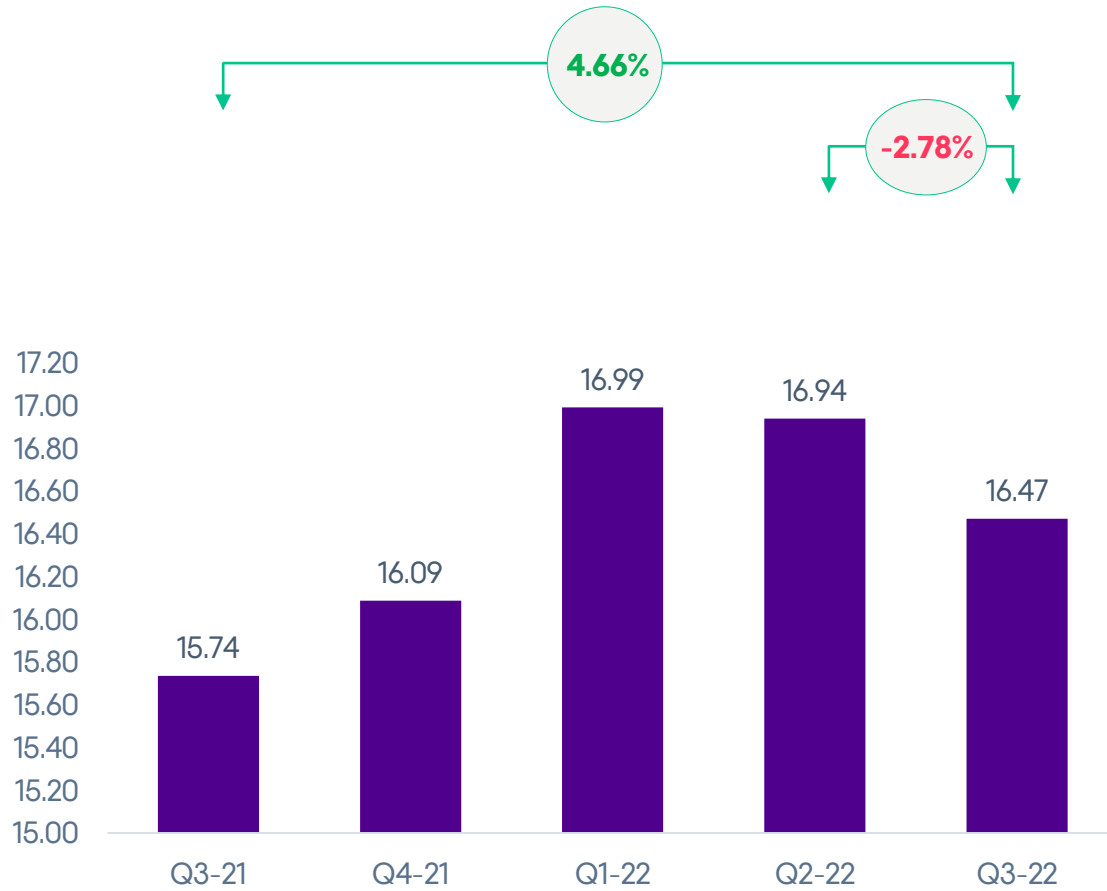
Financial & Operational Performance





Financial Highlights

Q3 & 9M 2022



A notable topline growth for 9M period

stc Group – Gross Profit



Strong improvement in gross profit with healthy margins in Q3 and 9M period

*The gross profit was affected by a reversal of contingent liability provision in an amount of SAR 1.079 billion.

**The gross profit was affected by a reversal of contingent liability provision in an amount of SAR 1.079 billion.



Continued growth in EBITDA for the period backed with improving margins

*The EBITDA was affected by a reversal of contingent liability provision in an amount of SAR 1.079 billion.
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stc Group – Net Profit



Healthy growth in net profit for the 9M period and the third quarter

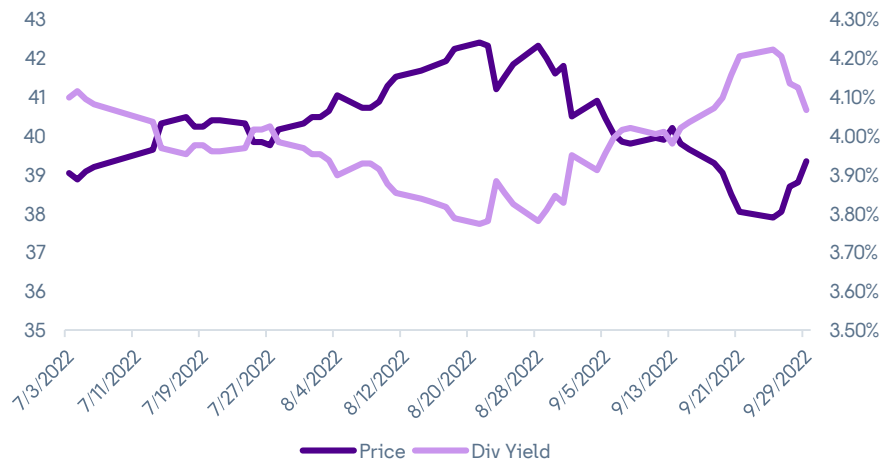
*Net profit was affected by SAR 0.239 billion which is a provision taken against BGSM.

**Net profit was affected by SAR 0.298 billion which is a provision taken against BGSM.

***Net profit was affected by SAR 0.722 billion which is a provision taken against BGSM and a reversal of contingent liability provision in an amount of SAR 1.079 billion.

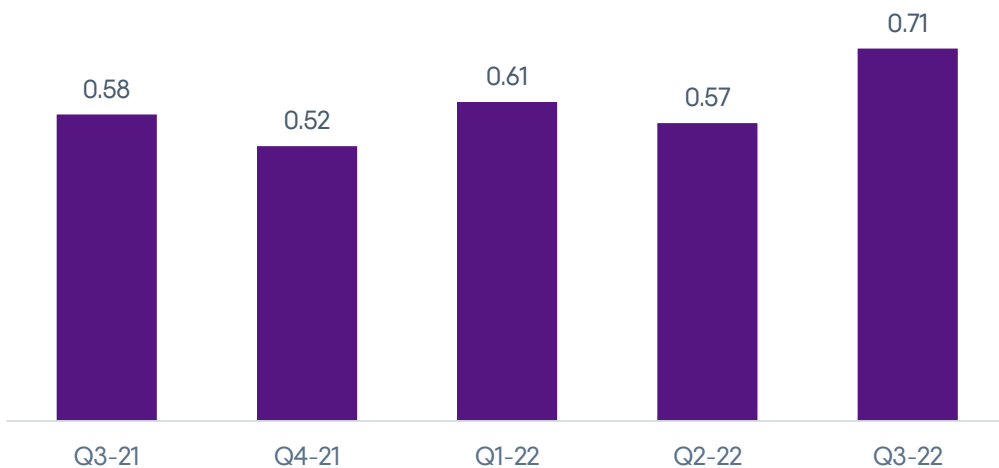
****Net profit was affected by SAR 1.259 billion which is a provision taken against BGSM and a reversal of contingent liability provision in an amount of SAR 1.079 billion.

Price Vs. Yield Fluctuation

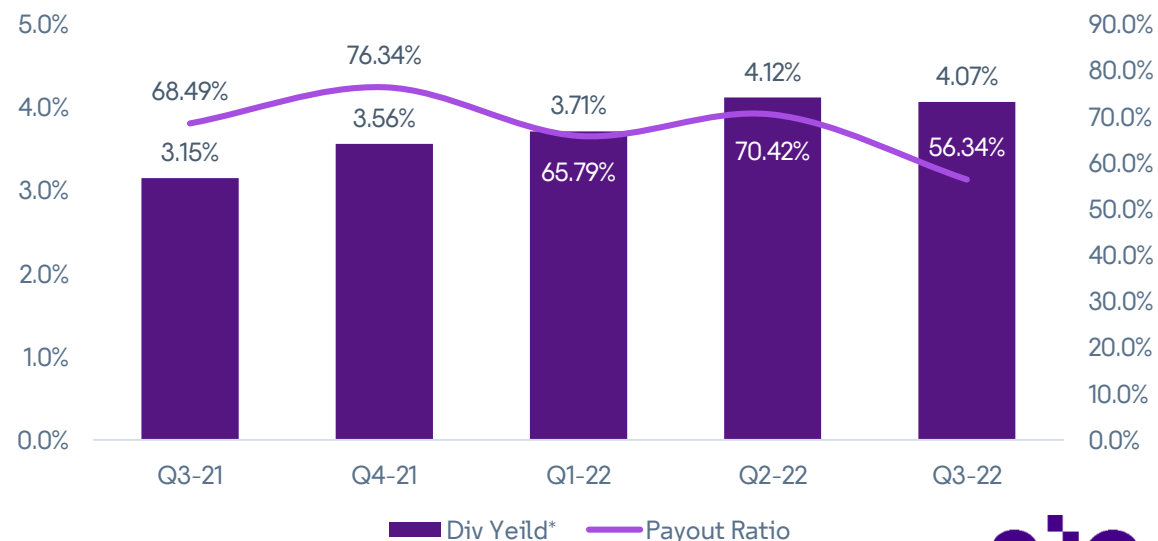


- stc commits to pay a fixed minimum dividend of a SAR 0.4 per share per quarter effective from Q4 2021 for three years. Furthermore, the company will consider and pay additional dividend, subject to stc BoD's approval after assessment and determination of the Company's financial situation, future outlook and capital expenditure requirements. Additional dividends are likely to vary on quarterly basis depending on the company's performance
- The dividends policy will remain subject to:
 - Any material changes in the strategy and business of the company (including the business environment it operates in);
 - Laws and regulations that are applicable on the company;
 - Any banking, other funding or credit rating covenants that the company may be bound to follow from time to time.

Earnings Per Share (EPS)



Payout Ratio/Dividend Yield



*Annualized Dividend



Disclaimer

This presentation has been prepared as an informative guide that might assist interested parties in gaining an insight into the history and background of telecommunications within Saudi Arabia, as they relate to the Saudi Telecom Company (stc). Furthermore, it does not constitute an invitation or inducement to purchase or dispose of any securities, either in stc, or any companies in which stc has a financial interest.

In addition, there may also be 'forward looking' statements included within the meaning of current securities laws and regulations. In this context, any opinions expressed within this document, regarding the company's potential future performance, should be viewed as being accurate at the time of preparation. However, cognizance should be taken of the fact that uncertainty may dictate that actual performance differs substantially from any views articulated herein.

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