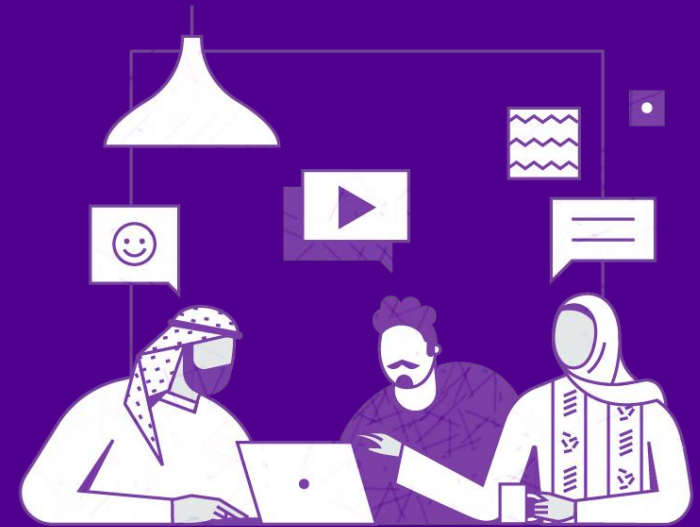


Financial Results Presentation

Investor Relations
FY 2021



Agenda

1. Strategy Overview

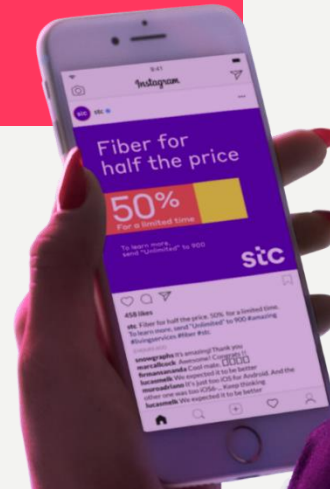
2. Company Overview

3. Financial Highlights

4. Q&A Session

5. Appendix

1. Strategy Overview



stc

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.

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.

dare

r reinvent experience

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

e expand scale and scope

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

Aligning stc Strategy with Saudi Arabia's 2020 NTP 2020 & 2030 Vision



- ▶ To raise our ranking on the E-Government Survey Index from our current position of 36 to be among the top five nations;
- ▶ To increase the private sector's contribution from 40% to 65% of GDP;
- ▶ To increase women's participation in the workforce from 22% to 30%;
- ▶ To move from our current position as the 19th largest economy in the world into the top 15;
- ▶ To lower the rate of unemployment from 11.6% to 7%;
- ▶ To increase SME contribution to GDP from 20% to 35%;
- ▶ To increase our capacity to welcome Umrah visitors from 8 million to 30 million every year.



- ▶ Provide broadband services to all KSA regions by stimulating investment in infrastructure and regulatory frameworks;
- ▶ Support e-commerce;
- ▶ Bridge the digital gap in the skills of ICT users;
- ▶ Increase the IT industry's contribution in the non-oil GDP;
- ▶ Rehabilitation of specialized Saudi human capital and employment in CITC sector;
- ▶ Develop and activate smart government transactions based on a common infrastructure.

Elements of stc Strategy:

▶ **Lead market in digital services and creative solutions**

▶ **Drive efficiencies through digital transformation**

▶ **Digitalise processes, internal operations, delivery engine and commercial approach**

▶ **Instill culture change**

▶ **Grow B2G and B SME segments**

▶ **Lead technological advancement and provide best in class connectivity platform**

A man with a beard and mustache, wearing a white button-down shirt, is leaning over a dark surface, possibly a table or a large screen. He is looking intently at something on the surface, with his right hand pointing towards it. The background is dark with some light sources, creating a professional and focused atmosphere.

2. Company Overview

stc

A company dedicated to providing advanced cybersecurity services and solutions in the business sector

stc launched the digital control center, which is considered the largest integrated operating center in the region with an area of 42k m²

stc succeeded in providing the largest advanced 5G network in the Middle Eastern region covering most regions of the Kingdom

The Council of Ministers approved the establishment of stc Digital Bank, thereby transforming the stc pay platform into an integrated digital bank

The board of directors of stc recommended the three-year dividend policy: SAR 1/share a quarter, starting Q4 2021

stc is continuing its data centers project Phase 3, which will be the biggest project of Data Center Construction across the region

stc launched the Advanced Technology and Cybersecurity Company

Digital Operations Control Center

Number one for 5G coverage by Meqyas Report

stc pay banking license

Dividends Distribution Policy

The Biggest Project of Data Center Across the Region

January

February

March

April

May

June

July

August

September

October

November

December

stc brand valued at USD 9.2 Billion

stc ranked as the top telecom in MENA

IPO of solutions by stc

solutions by stc on Tadawul

stc completed secondary public offering

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

According to Forbes, stc ranked first as the strongest telecom company in MENA & among the top 44 digital companies in the world

The Capital Market Authority granted the approval for solutions by stc to float 24 million shares for IPO, representing 20% of the company's shares

solutions by stc started trading on the Saudi Exchange (Tadawul)

PIF sold 120 million shares in stc, representing 6% of stc's shares

→ Business Units

Enterprise Business Unit

EBU was able to grow its revenues by **20.9%**, benefiting from the company's ability to accommodate the strong demand from the public and private sectors for Enterprise Business Unit's services and products.

Consumer Business Unit

The Residential Segment also achieved a growth in its revenues, with an increase of **10.5%**, which supported the CBU's financial performance, this is primarily due to an increase in FTTH and fixed wireless access subscribers by **10.3%** and **21.7%**, respectively.

Wholesale Business Unit

WBU continued its positive contribution to the company's financial results, as it achieved a growth of **2.9%**, thru leveraging stc's infrastructure investments to grow the company's hubbing services.

→ Infrastructure

5G

- stc has deployed **6,506 5G** towers as the end of 2021.

FTTH & FWA

Subscriber base increased by **10.3%** and **21.7%**, respectively



→ stcPay

Issued Cards

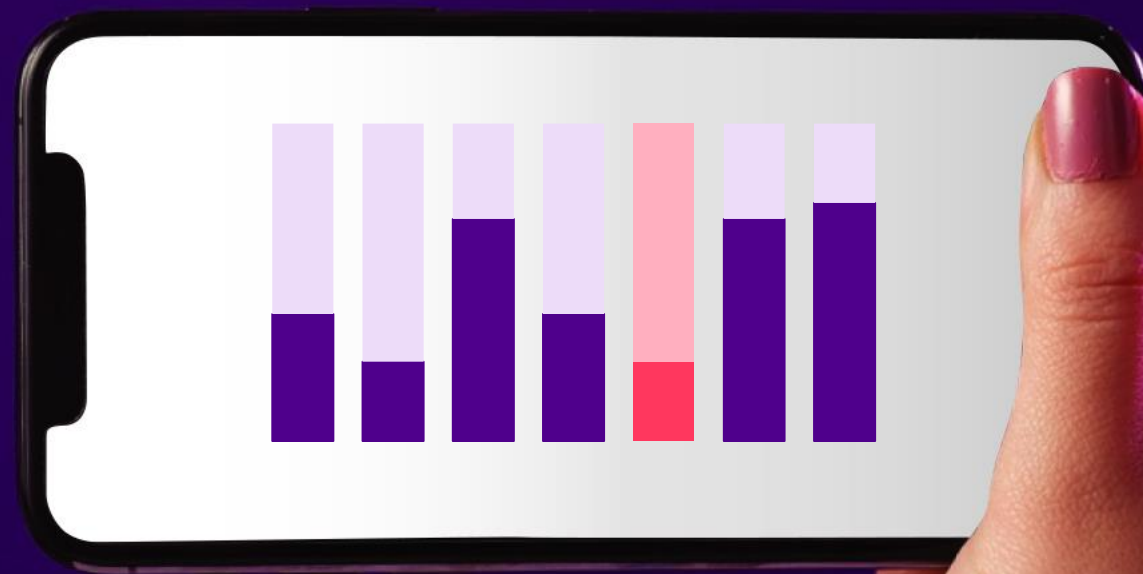
stcPay issued **2.7 million** cards

Subscribers

7.8 million registered users



3. Financial Highlights



stc – 2021 Financial Highlights

Revenue

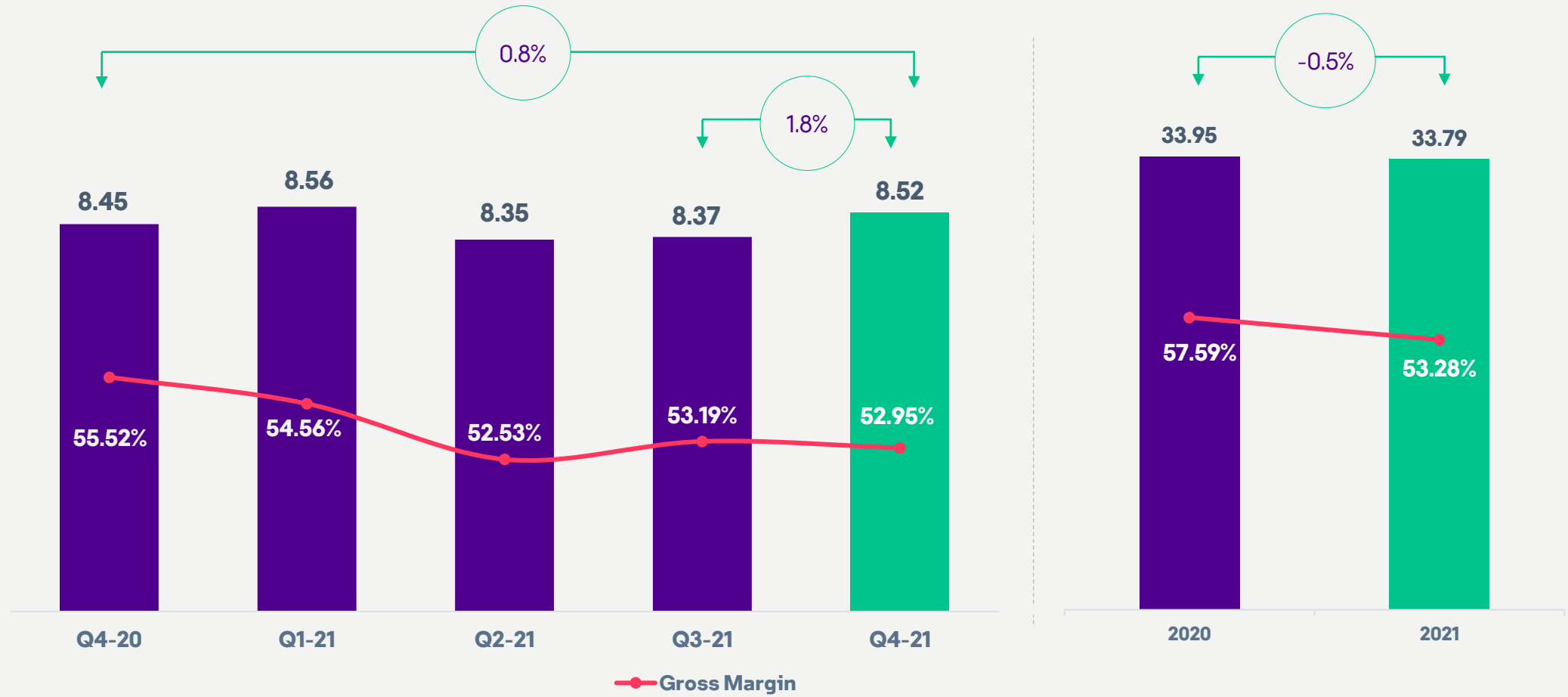


stc continued to display consistent growth in its annual revenues

All figures are in SAR Billions

stc – 2021 Financial Highlights

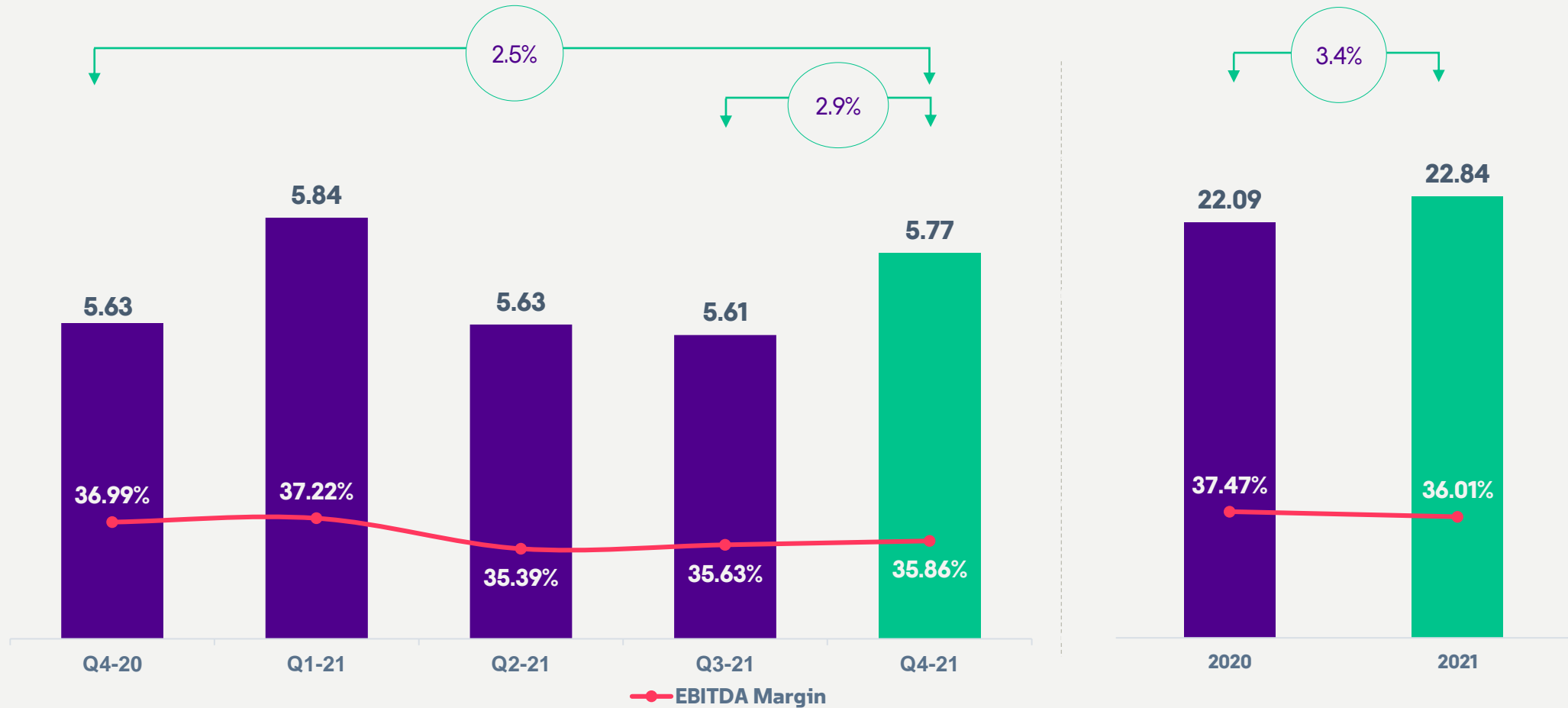
Gross Profit



Gross Profit remains solid

All figures are in SAR Billions

EBITDA



Good growth in EBITDA, backed with healthy margins

All figures are in SAR Billions

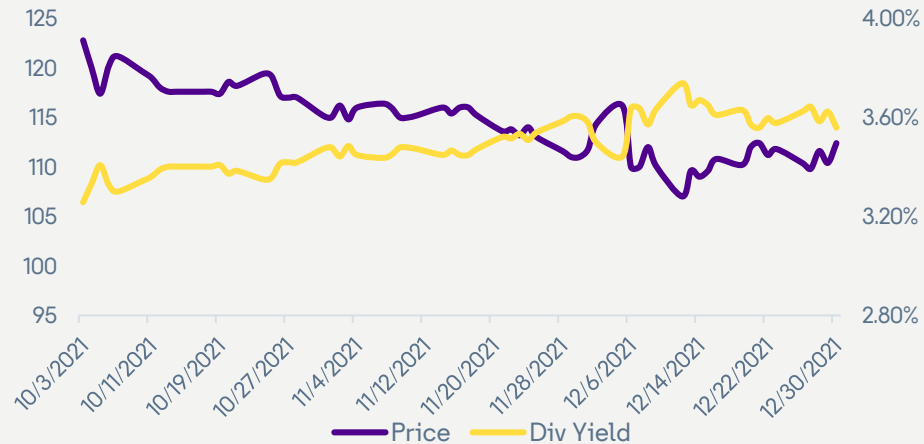
Net Profit



Net profit grew by 2.9% as compared to 2020

All figures are in SAR Billions

Price Vs. Yield Fluctuation

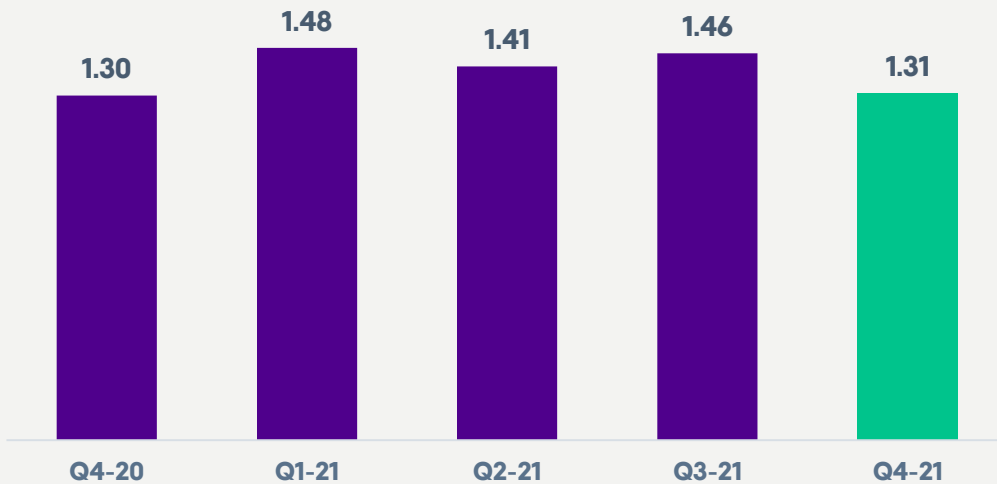


- stc commits to pay a fixed minimum dividend of a SR 1 per share per starting from Q4 2021 for three years. Further, the company may consider and pay additional dividend subject to the Board approval after assessment and determination of the Company's financial situation, outlook and capital expenditure requirements. Additional dividends are likely to vary on quarterly basis depending on the company's performance.

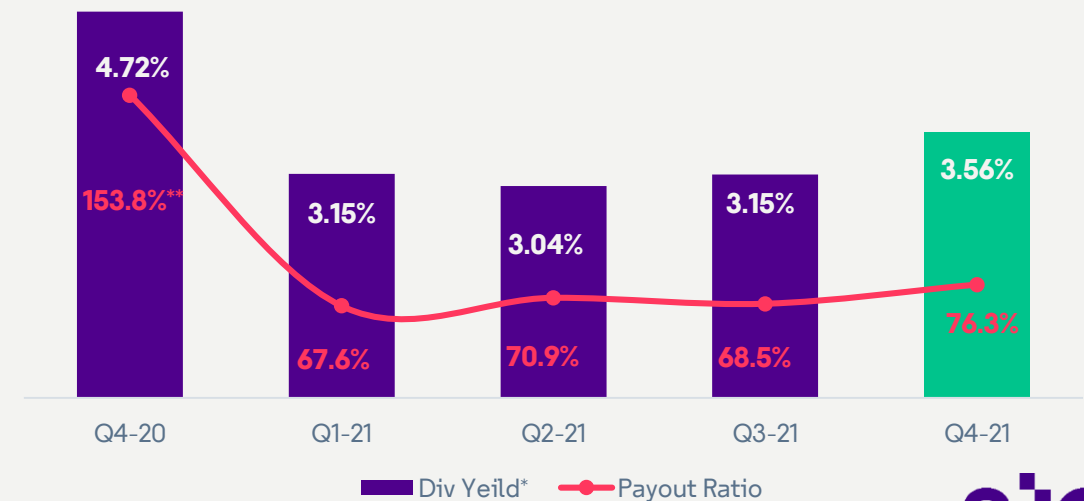
- The dividends policy will remain subject to:

- 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



5. Appendix

Macro Economy & Liquidity

- The point-of-sale (POS) transactions rose by 18% to SAR 44.37 billion in December, from SAR 37.62 billion in the same month last year, data issued by the Saudi Central Bank (SAMA) showed.
- Foreign investment in Saudi Arabia grew by 20% to SAR 2.378 trillion in Q3 2021 from SAR 1.984 trillion a year earlier, based on the latest official data issued by the Saudi Central Bank (SAMA).
- The Saudi real estate price index edged up 0.9% in the fourth quarter of 2021 to 81.3 points, from 80.6 points a year earlier, data issued by the General Authority for Statistics (GASTAT) showed.
- Saudi bank loans granted to the public and private sectors increased 16% by the end of December 2021 to SAR 2.129 trillion, compared to SAR 1.841 trillion a year earlier, according to data issued by the Saudi Central Bank (SAMA).
- Saudi Arabia estimated public revenue in 2022 budget at SAR 1.045 trillion, and expenditures at SAR 955 billion, with an expected surplus of SAR 90 billion, the Ministry of Finance said in its 2022 pre-budget statement on Dec. 12. Total expenditure was projected at SAR 1.015 trillion in 2021, while revenue was budgeted at SAR 930 billion, with an expected deficit of SAR 85 billion.

Telecom Updates

- The Communications and Information Technology Commission (CITC) has launched the third phase of the local roaming service, maintaining telecommunication services to 691 villages and rural areas in the Eastern Province, Northern Borders, and Jouf region after the first and second phases in Asir, Riyadh, and Qassim
- The Minister of Communications and Information Technology (MCIT) and Chairman of the Board of Directors of the Saudi Space Commission (SSC), Eng. Abdullah Bin Amer Al-Swaha announced that a pioneering partnership between NEOM and OneWeb worth \$200 million will provide a satellite network that will change the face of broadband Internet throughout the Middle East and Africa, enabling new business models.
- The Communications and Information Technology Commission (CITC) has issued the "Fixed Wireless Links Regulations" through which CITC offers Ultra Wide-band channels, adopts new licensing mechanism for fixed wireless links, and determines the guidelines to enable Fixed Wireless Access (FWA) applications in the Kingdom. These Regulations identify the fixed wireless links frequency bands, their channel allocation plans, the licensing mechanism in the Kingdom, in addition to the technical and regulatory conditions for using fixed wireless links for bands identified for these services.

Government Initiatives

- Saudi Crown Prince Mohammed bin Salman launched the master plan and main features of Jeddah Central project (formerly, New Jeddah Downtown) at a total investment value of SAR 75 billion. These investments were allocated for the development of 5.7 million square meters (sqm) to create a world-class destination in Jeddah, financed by the Public Investment Fund (PIF) as well as local and foreign investors.
- Crown Prince Mohammed bin Salman, Chairman of NEOM, announced the establishment of NEOM Industrial City (OXAGON), which represents another step in NEOM's masterplan. It aims to provide a new model for future manufacturing centers, as part of NEOM's strategy. OXAGON is designed to be the largest floating industrial complex in the world.
- Saudi Arabia's Ministry of Investment issued 2,056 new investment licenses to foreign companies in the fourth quarter of 2021, a rise of 358% from 449 licenses a year earlier. The number of foreign investment licenses in Saudi Arabia increased by 38% year-on-year (YoY) to 478 in Q1 2021, by 264% YoY to 575 in Q2 2021 and 333% YoY to 1,330 in Q3 2021.

Business Highlights

- ✓ stc launched Phase 2 of "Broadband Opening Project for the Business Sector".
- ✓ stc and Ericsson have signed a memorandum of understanding (MoU) to jointly explore sustainable initiatives to power the stc network infrastructure with renewable energy. The new partnership will further explore other Information and Communication Technology (ICT) green-site solutions and sustainability initiatives for the Kingdom in line with Vision 2030.
- ✓ channels signed a strategic agreement with Geidea to provide various digital payment solutions through electronic payment devices.
- ✓ As part of its strategy to support the Kingdom's digital transformation, stc has partnered up with the "Future Investment Initiative" for the fifth consecutive year. stc provided technology support for the event, which included providing high-speed 5G network coverage for all three conference sites.
- ✓ stc signed an institutional accreditation agreement with the Education and Training Evaluation Authority (ETEA), represented by the National Center for Training Evaluation and Accreditation "Masar.". The agreement includes the implementation of institutional accreditation procedures for stc academy based on the institutional accreditation standards approved by ETEA.
- ✓ stc has signed a strategic partnership with the Royal Commission for Al-Ula to develop and empower the governorate digitally and provide a unique digital experience for its visitors so that it is a fully smart city.
- ✓ stc has signed a strategic partnership agreement with Masdar to provide the latest data and technical business solutions to improve the processes pertaining to the Human Resources Department and facilitate their quick and efficient completion.
- ✓ stc signed an agreement with Infinera to expand stc's international network, using ICE6 800 GB capable technology. This will enhance the provision of new services to its customers both regionally and internationally, as well as develop the infrastructure for submarine cables to bear higher capacities that meet the needs necessary for the development of smart cities.
- ✓ Channels by stc has received the "Best Distribution Service Provider" award presented by International Finance magazine for excellence in distribution products and services, providing innovative solutions, and applying best practices in this field.
- ✓ stc was awarded the bronze award at the International Customer Experience Awards 2021. This is a great success and a testament to the efforts the company put into the customer experience during a very difficult period of time. The award is considered one of the most prestigious global awards and sees major names participate in its various categories, including Dell, IBM, and Vodafone.
- ✓ stc wins several awards at the 2021 Middle East and North Africa (MENA) Effie Awards ceremony, as it creatively responded to the inquiries of individuals and users regarding the 5G network. stc has won the Gold Award for the "best use of data" category, stc Pay sealed the gold award for its interactive app for the "Sustainable Success" category, and stc Jawwy won the bronze for the "Fair Telco" category.

Thank you

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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