



shaping
intelligent
possibilities

Annual report **2025**



The Custodian of the Two Holy Mosques
King Salman Bin Abdulaziz Al Saud



Crown Prince, Prime Minister, Chairman of the
Council of Economic and Development Affairs
**His Royal Highness Mohammed Bin Salman Bin
Abdulaziz Al Saud**

Table of contents

Theme of the year	4
At a glance	6
Awards and recognitions	8
About the report	12

Overview

01

About solutions by stc	16
Our journey	20
Year in review	22
Geographic footprint	24
Investment case	26
Shareholder's information	28

Strategic review

02

Chairman's statement	32
CEO's message	36
Business model	40
Stakeholder engagement	42
Strategy and Vision 2030	44
Strategic partnerships	48
Market overview	52
Risk management	56

Operating review

03

Services and Solutions	66
Customer experience	70
Digital transformation and innovation	72
Public-private partnerships	76
Subsidiaries and associates	78
upsource by solutions	78
Devoteam	79
Giza Systems	80

Sustainability review

05

Sustainability	94
Our people	106

Corporate governance

06

Financial statements

07

Financial review

04

CFO's review	86
--------------	----



solutions by stc advances the Kingdom's digital ambitions, strengthening foundations and intelligence to shape intelligent possibilities.

Theme of the year

shaping intelligent possibilities

solutions by stc entered 2025 with clarity of purpose and delivered a year defined by momentum, ambition, and national relevance. Its role expanded beyond enabling digital adoption toward architecting intelligence across sectors, shaping how organizations operate, decide, and grow. Whether advancing healthcare with predictive platforms, enhancing national mobility ecosystems, or strengthening cloud capacity to serve the region's digital future, the Company demonstrated how technology can serve society by redesigning the systems people interact with every day.

The Company's influence was felt in boardrooms, ministries, and cities where transformation is now measurable. Through investments in talent, sovereign cloud infrastructure, artificial intelligence (AI), and ecosystem partnerships, solutions by stc helped accelerate progress in areas critical to national competitiveness. Its model grew more integrated as it shifted from service provision to co-creation, enabling outcomes such as smarter public services, more resilient urban environments, and enhanced

productivity across industries. These shifts underscored its role as a strategic force in national development, powering institutions to deliver more efficiently and act more intelligently.

Equally important was the evolution of how solutions by stc builds and scales value. Ownership of differentiated intellectual property (IP), deeper alignment between people and technology, and a culture of innovation positioned the business to influence future markets rather than simply participate in them. Its work in cognitive platforms, cloud modernization, national capability building, and ecosystem collaboration reflected an understanding that transformation is as much about imagination and leadership as it is about infrastructure and code.

As Saudi Arabia accelerates toward its digital ambitions, solutions by stc is strengthening the foundations and intelligence needed to advance them. Through its momentum, focus, and belief in technology as a national enabler, the Company continues shaping intelligent possibilities.



At a glance

In 2025, solutions by stc continued to scale its resilient foundations and performance, delivering holistic value and driving the Kingdom's digital evolution to shape intelligent possibilities.

Key operational highlights

#1

IT services provider

42.6%

A strong local content score

49.1%

Growth of solutions by stc's stock price from initial IPO price (31 December 2025)

Strength of our partnerships

125+

partner base of technology innovators

79.27%

procurement spending on local suppliers

436

local suppliers engaged

The Group's robust financial performance

Revenue

₹12,730

million
↑ 5.5% YoY

Net profit (attributable to equity holders of the parent company)

₹1,503

million
↓ 5.9% YoY

EBITDA

₹1,987

million
↑ 2.0% YoY

Basic earnings per share (EPS)

₹12.62

↓ 6.0% YoY

Our talented team

Group's workforce

3,126

solutions by stc's workforce

1,358

Saudization

64.0%

Female staff

20.8%

Hours of training provided

20,829

Online courses completed by staff

1,496

Staff accessed training*

1,044

*Employees have the opportunity to participate in multiple training programs

ESG highlights

Majmaah University collaboration agreement

UN Global Compact (UNGC) membership renewal

65

hours of volunteer work

138

community beneficiaries trained








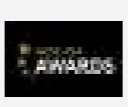




Achieved a 'BBB' MSCI ESG Rating, reflecting strengthened ESG performance and commitment to sustainable growth

Awards and recognitions

Global recognition for excellence across innovation, sustainability, and strategic digital leadership.

In 2025, solutions by stc secured prestigious global awards, affirming its leadership as the Kingdom's premier digital enabler and strategic engine. These recognitions reflect a disciplined commitment to operational excellence, leveraging resilient foundations to drive national ambitions and shape intelligent possibilities.

											
First place in the Corporate Challenge by LEAP 2025	Leading Innovation Institution in the Private Sector by GDI 2024	Corporate Social Responsibility Award – (second consecutive year) by Ministry of Human Resources and Social Development	2025 “Star Performer” Award for Europe and the Middle East by NVIDIA	HP Amplify Strategic Partner of the Year Award by HP	Cisco Powered Services Accreditation for Managed SD-WAN Solutions Technical Designation by Cisco	Best CEO in the IT Sector by Argaam Summit 2025	2024 VCSP VMware Cloud Foundation as a Service Partner of the Year by GEO	Success Partners Recognition by Ministry of Human Resources and Social Development	Partner of the Year FY24 by Palo Alto Networks at Partner Xchange Saudi Arabia	Digital Transformation Excellence Award by Maven Insights	Market Mover Partner of the Year 2025 by Google Cloud KSA

											
Agile Leader – Gold by IPMA Global Awards 2025	PMO of the Year – Gold by IPMA Global Awards 2025	Sustainable Project of the Year – Gold by IPMA Global Awards 2025	Sustainable Project Manager – Silver by IPMA Global Awards 2025	IT & Communication Project – Silver by IPMA Global Awards 2025	Innovation Project of the Year – Silver by IPMA Global Awards 2025	Best Partner Award within the “Made in Saudi” initiative by Hewlett Packard Enterprise (HPE)	Best Employee Wellbeing Programme by HR Sumit & Expo Informa (HRSE)	Best Employee Benefits and Wellbeing Strategy of the Year in Private, Public, and Government Sector by GCC GOV HR Awards 2025	Quality Management System by ISO 9001:2015	Governance of Organization by ISO 37000:2021	Most Original Exercise Programme 2025 (CG&C) by BCI Middle East

											
SOC-CMM by SOC- CMM	Privacy Information Management System ISO 27701:2019	AI as a Service Excellence Award 2025 by Dell Technologies	Nvidia Cloud Partner – first NCP designation in the region by NVIDIA	Elite Solution NPN Designation Provider by NVIDIA	Opnetext MENA Award - Business gold partner by Opentext	Cloud Partner of the Year by PureStorage	Technology Project of the Year – Silver by Global Project Management Forum (GPMF)	ISO 56002:2019 - Innovation Management System – 2025 by QA Compliance	ISO/IEC 38500:2024 - Governance of IT for the Organization – 2025 by QA Compliance Assessment	ISO/IEC 27001:2022 - Certified Information Security Management Systems – 2025 by SGS	Nutanix Certified Services – Multicloud Infrastructure Master Technical Designation by Nutanix

Awards and recognitions continued

Global recognition for excellence across innovation, sustainability, and strategic digital leadership.



GPU Partner of the Year Award

by Dell Technologies



HPE Aruba Rising Star Award for UKIMEA Region with Highest Recognized Revenue

by HPE Aruba



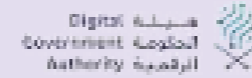
Five Years Cooperation Award for CCTV and AI Business

by Hikvision



Best Telco Partner of the Year 2024 Award for Excellence in the Telecommunications Industry

by Cloudera



First Place in the Qualified Companies Compliance Index at the Digital Government Forum

by Digital Government Authority (DGA)



Global Technical Services Partner of the Year Award

by Huawei



Strategic Partner of the Year Award

by Genesys



AI Excellence Partner Award for Exceptional Impact and Value

by NVIDIA



Telecommunications Partner of the Year 2024 Award in the Telco Industry

by Red Hat



Strategic Partner of the Year 2024 Award for Highest Landed Revenue

by HP



Rising Star Award for Highest Recognized Revenue in Saudi Arabia

by HPE



Saudi Arabia Partner of the Year Award

by Palo Alto Networks



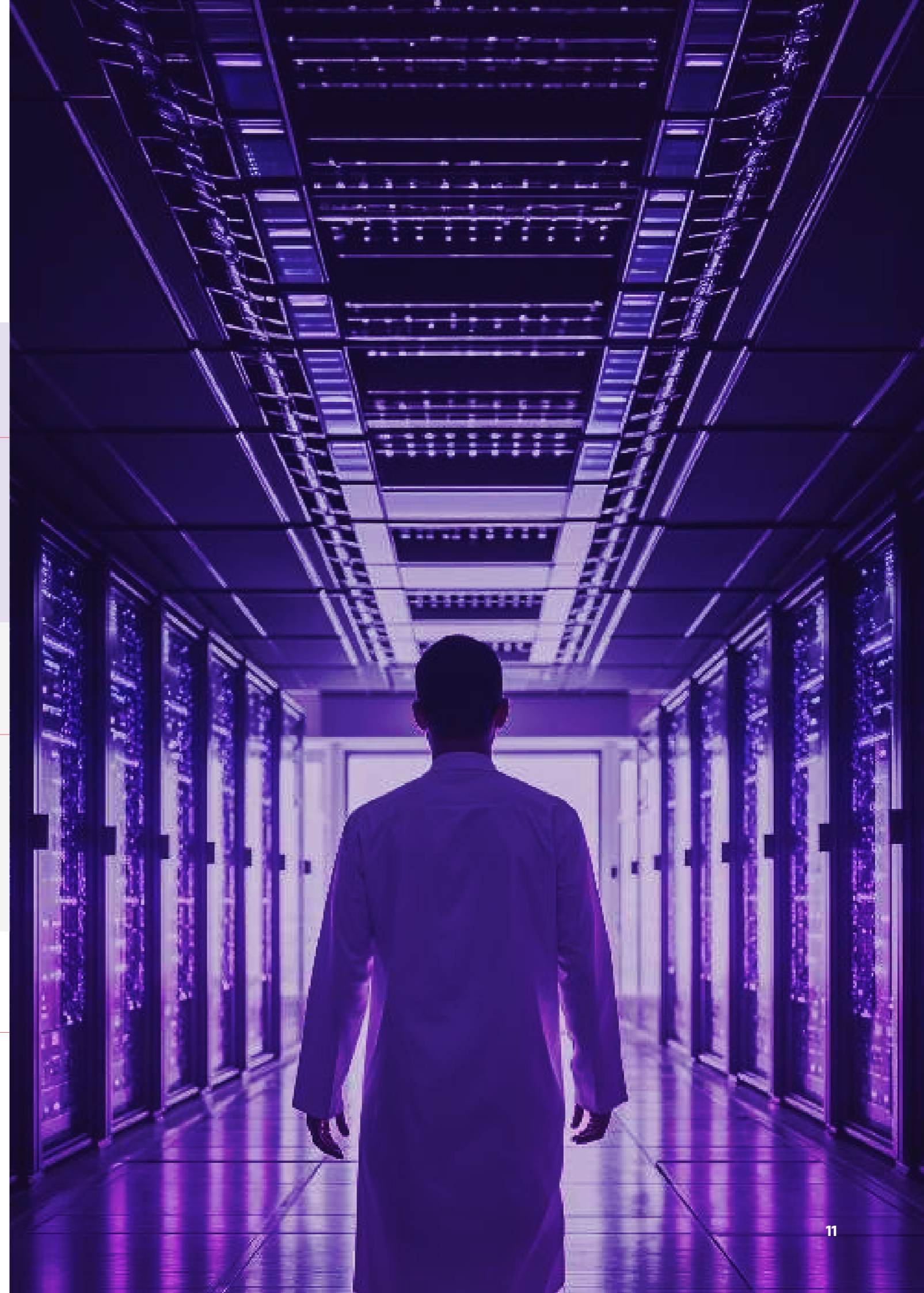
Excellence Partner Award for Artificial Intelligence

by Mindware



Technology Solutions Partner of the Year Award for Accelerator Achievement in Saudi Arabia

by Redington



About the report

solutions by stc's Annual Report for 2025 details the performance of the Company during the year ended 31 December 2025. The aim of this Report is to provide a balanced view of the Company's performance by communicating material information in a concise yet comprehensive manner.

Pages 16 to 29 from the overview chapter provide a comprehensive look at solutions by stc's business and offerings; Our Journey; Year in Review; the context in which it operates; Investment Case; as well as the Shareholders' Information.

Pages 32 to 63 from the strategic review includes the statements from the Chairman and the Chief Executive Officer (CEO) and gives a description of solutions by stc's Business Model creating value for its stakeholders; details of the Company's stakeholders and how they are engaged with; progress against the Company's strategic framework for resilient growth; A comprehensive Market Overview; key Strategic Partnerships and insights on Risk Management.

The operating review on pages 66 to 83 outlines solutions by stc's performance during the year under review, measured against a number of standardized indicators and metrics.

The financial review on pages 86 to 91 includes the statement from the Chief Financial Officer and key financial highlights.

The sustainability review on pages 94 to 111 highlights solutions by stc's sustainability vision and strategy, including the materiality assessment, key material topics, and alignment with national priorities and the UN SDGs, as well as the Our People strategy and its core pillars.

The governance report on pages 114 to 163 forms the report of the Board of Directors.

The financial statements on pages 166 to 231 provide a comprehensive overview of the Company's financial performance during the year, including the statement of profit or loss, comprehensive income, financial position, changes in equity, and cash flows.

Reporting scope and boundary

The Report covers the operations of solutions by stc, duly identified as the "Company", "solutions by stc", "Group", or "Organization". Key financial aspects and non-financial aspects are discussed in the context of the Company. The solutions by stc Annual Report 2025 covers the 12-month period from 1 January 2025 to 31 December 2025.

Reporting frameworks

solutions by stc's Annual Report 2025 draws from the following reporting concepts, principles, and guides:

- ▶ The Integrated Reporting Framework, prepared by the International Integrated Reporting Council (IIRC), now part of the IFRS Foundation
- ▶ The Integrated Thinking Principles, prepared by the Value Reporting Foundation, now part of the IFRS Foundation
- ▶ The Capital Market Authority (CMA) Listed Companies Guide, which provides guidance on material necessary for the Board Report in accordance with requirements of the Corporate Governance Regulations, Companies Law, and Regulatory Rules and Procedures
- ▶ The Software & IT Services Sustainability Accounting Standards prepared by the Sustainability Accounting Standards Board (SASB), now part of the IFRS Foundation

Compliance

solutions by stc is committed to compliance in operations, investments, and all business activities.

Queries

You are invited to direct your comments and queries on this report to:

solutions by stc

Address: PO Box 50
Post Code: 11372
Phone: +966 115 251 111
Fax: +966 114 601 110
Email: IR@solutions.com.sa

Overview

About solutions by stc	16
Our journey	20
Year in review	22
Geographic footprint	24
Investment case	26
Shareholder's information	28



solutions by stc translates ambition into action, embedding intelligence within infrastructure to drive strategic, national-scale impact.

About solutions by stc

solutions by stc are the leading information and communication technology (ICT) services provider and digital transformation enabler at the forefront of digitalization in the Kingdom of Saudi Arabia, supporting Vision 2030's aspirations. In a rapidly evolving digital environment, our services play a pivotal role in empowering both the public and private sectors to embrace and thrive in the new digital era.

Showcasing our commitment as a trusted partner, we deliver value through technology to our clients by addressing their business challenges in a holistic and comprehensive "one stop shop" approach across the entire IT value chain.

solutions by stc have a wide and diversified portfolio of offerings covering the end-to-end ICT value chain encompassing core ICT services, IT managed and operational services, and digital services. The Company's unparalleled capabilities that span the entire ICT value chain are perfectly positioned to be the partner of choice for the Business-to-Business (B2B) sector.

As a frontrunner in the ICT industry within the Kingdom of Saudi Arabia, solutions by stc have embarked on an ambitious growth strategy intended to reinforce its position as the leading ICT services provider in the Kingdom of Saudi Arabia and to diversify the portfolio of offerings. The Company's growth strategy focuses

on strengthening core capabilities in competitive growth areas, enriching next-generation offerings, expanding geographic reach, and accelerating efforts to improve efficiencies across the board with a dedicated focus on innovation and sustainability. As a major player in the ICT ecosystem and value chain, solutions by stc's successes contribute to the Kingdom of Saudi Arabia's development and the success of our stakeholders.

Despite periods of market volatility, solutions by stc's share price continued to demonstrate resilient performance. As of 31 December 2025, the Company's share price reached ₪ 225.1, resulting in a market capitalization of approximately ₪ 27.0 billion (USD 7.2 billion). Supported by a strategy focused on sustainable growth and strong profitability, the Company remains well positioned to continue creating long-term value for its investors, partners, and other stakeholders.



Vision

To create a digital ecosystem enabling our customers to achieve sustainable growth, regionally and globally.



Mission

To provide technology solutions to businesses addressing their needs and challenges to succeed in evolving market conditions.



Values

Dynamism

We're driven to enlighten and spark imagination. Our point of view is not literal. It brings a new vision and inspires others to see the world in a more ingenious way. We arouse enthusiasm around the promise of better things to come.

Devotion

Our style is human, not because it focuses on people, but because it is warm, simple, and clean and it eliminates superfluous details to achieve quality and clarity.

Drive

Focused on what's important, displaying the reason why, how, or where things happen, conveying the idea of movement, with agility and progression.

About solutions by stc continued

What we do

Core ICT services

System Integration (SI) services cover a variety of organizational needs across the value chain, enabled by our strong local and global partnership ecosystem. These services include advisory, design, implementation, and integration of networks, infrastructure, and applications, which are offered through custom engagement models to our customers.

solutions by stc's communication and internet services address high-end connectivity needs of organizations within cities and remote locations by providing dedicated, secure, and high-quality business internet and satellite services through the wholesale purchase of communication capacity from telecommunication providers.

IT managed and operational services

Managed services include end-to-end management of business networks and systems with the capability to deliver customized managed services projects to serve the individual needs of customers, which help them grow and improve their businesses.

We create value by increasing efficiency, providing better services, improving operations, and monitoring and resolving problems by managing the components of our customers' technical infrastructure such as network, servers, storage, devices, and applications.

Business outsourcing services cover services in the domains of human resources (HR), customer care, and other shared services enabled by technology and automation to optimize outcomes. The Company partners with customers by utilizing a variety of business models to deliver services. This business vertical has strong momentum given the focused efforts by the Saudi Government towards privatization in line with the aspirations of Saudi Vision 2030.

Digital services

Cloud services include the full spectrum of data center and cloud services as well as multi-cloud professional and managed services for all the hyperscalers helping clients to optimally manage their cloud investments.

Digital services consist of digital transformation services; providing digital solutions to connect, monitor, and analyze machine/device data for informed and effective decisions, and redesigning how businesses are conducted to enhance customer experience – these include but are not limited to application services.

Cybersecurity integration provides security services covering all stages of the IT value chain, including planning, design, implementation, and project management of technical solutions that cater to the specific security needs of enterprises.



As a trusted partner, we deliver value by addressing business challenges through a holistic, one-stop-shop IT value chain.

Digital is in our DNA



25+

years of experience in IT



125+

partners in our ecosystem



1,358

qualified employees

Our journey

Over the years, solutions by stc has been on a journey of steady and profitable growth to establish itself as a market leader and innovative force in the Kingdom of Saudi Arabia. From an early entry into the field of system integration, to timely moves to cloud and digital services, and cybersecurity, solutions by stc has continually made strategic and forward-looking moves that reinforces our proposition, supports our customers, and creates value for our shareholders and stakeholders.

1995	2002	2007	2009	2011	2014	2017	2019	2021	2022	2023	2024	
<p>AwaNet acquired ISP license.</p>	<p>Merger of 3 largest ISPs in Saudi Arabia – Naseej, AwaNet, and Alamiah.net.</p>	<p>stc acquires AwaNet.</p>	<p>Won first SI project and saw revenue rise to over \$ 300 million.</p>	<p>Entered into cloud service play.</p>	<p>Rebranded as stc solutions with over 800 employees and a presence in all major Saudi cities.</p>	<p>Entered cybersecurity space and started building digital capabilities.</p>	<p>Rebranded as 'solutions by stc'.</p>	<p>Successful IPO of solutions by stc on Tadawul.</p>	<p>Acquired Giza Systems, with presence across the MEA region.</p>	<p>Acquired upsource by solutions (formerly ccc). Acquired 40% stake in Devoteam Middle East. Partnership with Nile.</p>	<p>Established Joint Venture with Nile for strategic focus and strong GTM. Established Amanah Tech Joint Venture with Jeddah Development and Urban Regeneration Company (JedCo) for capturing PPP opportunities. Signed partnership agreement with Remat Al-Riyadh.</p>	
												
						<h2>2025</h2>						
						<p>Signed revenue-sharing agreement with the Sports Boulevard Foundation to deliver and integrate smart parking solutions for the Sports Boulevard PPP project.</p>						
						<p>Signed Public-Private Partnership (PPP) Extension with Remat Al-Riyadh, reinforcing public-private collaboration for national projects.</p>						
						<p>Signed a framework agreement with Saudi Arabian Oil Company (Saudi Aramco) for digital computing infrastructure project.</p>						

Year in review

A year of shaping intelligent possibilities

2025 was a year in which ambition was translated into action. Across government, enterprise, and society, we advanced intelligent digital solutions that moved beyond enablement toward real-world impact. Through strategic partnerships, technology-led platforms, and national-scale initiatives, we applied intelligence to infrastructure, services, and experiences, helping shape a more connected, efficient, and future-ready Kingdom. Each milestone reflected our role as a trusted partner in turning digital potential into tangible outcomes.

January

Supporting digital transformation in the Education Sector

Partnered with the Walking Challenge Company to advance digital transformation in Saudi Arabia's education sector, helping schools adopt innovative technologies that enhance learning experiences.

February

Powering a new smart visa platform

Signed an agreement with the Ministry of Foreign Affairs to develop a smart visa platform utilizing cutting-edge digital technologies to enhance the visitor experience.

Smart parking solutions at Sports Boulevard

Partnered with the Sports Boulevard Foundation to provide digital parking management solutions that improve operational efficiency and user convenience.

March

Enabling digital transformation in collaboration with Nokia

Signed a cooperation agreement with Nokia to accelerate digital transformation across vital sectors and achieve market leadership through the adoption of cutting-edge technologies.

Recognition for private sector innovation

Received the GDI 2024 Award for Leading Enterprise in Private Sector Innovation, reflecting our continued focus on delivering impactful and forward-looking digital solutions.

April

Empowering young tech talent with King Saud University

Formed a partnership with King Saud University to foster innovation and develop the technical capabilities of Saudi youth through collaborative programs and initiatives.

May

Delivering advanced and secure network solutions

Launched "nile MEA," a joint venture with Nile, aimed at providing advanced and secure network solutions that strengthen digital infrastructure across the Kingdom and the region.

June

Promoting secure connectivity in the Kingdom

Partnered with ST Engineering iDirect to enhance secure communications and expand terrestrial network capabilities, driving the Kingdom's digital transformation forward.

July

Recognized for leadership in digital transformation

Recognized as a successful partner at the Digital Transformation Forum organized by Public Security, where we showcased our leading AI and data analytics solutions for the security sector.

August

Strengthening quality management standards

Obtained ISO 9001:2015 certification, reinforcing our commitment to quality management, operational excellence, and consistent service delivery across the Organization.

September

Enhancing digital computing infrastructure

Signed a framework agreement with Saudi Aramco to enhance its digital computing infrastructure over 5 years, supporting the Company's digital transformation journey.

October

Making GITEX 2025 shine

As the official digital enabler of GITEX 2025 in Dubai, we showcased our leading technologies, innovative solutions, and strategic partnerships at the world's largest technology exhibition.

November

Leading digital government compliance

Recognized by the Digital Government Authority for ranking first in the Compliance Monitoring Index, reflecting our disciplined execution and strong alignment with national digital governance standards.

Advancing cloud-led innovation

Received the Google Cloud Innovation Partner of the Year Award, recognizing our role in delivering advanced cloud solutions that support scalable, secure, and intelligent digital transformation.

Enabling digital real estate ecosystems

Signed a cooperation agreement with Alinma Bank to build an integrated digital real estate marketplace, incorporating innovative financing solutions.

December

Advancing social development through digital collaboration

Signed a cooperation agreement with the Ministry of Human Resources and Social Development under the patronage of HRH the Governor of the Riyadh Region, reinforcing our commitment to national development, social impact, and technology-enabled public services.



Geographic footprint

Presence across the Kingdom of Saudi Arabia to serve the needs of our customers.

Sales and services delivery offices

covering the 5 major cities in the Kingdom.



- ◆ **Head Office**
(Sales, Product Development, Administration)
- ◆ **Sales Office**
- ◆ **BPO Office**
- ◆ **GIZA Office***

*Also in Dubai, Doha, Nairobi, Dar-es-Salaam, Abuja and Kampala.

Investment case

solutions by stc plays a pivotal role in driving the digital transformation and growth of hundreds of public and private organizations across the Kingdom. With a strong foundation of market leadership, promising growth potential, and exceptional returns, the Company continues to deliver unmatched value to its shareholders.

Our key strengths

Market leadership

solutions by stc is the undisputable leader in the Saudi Arabian ICT services market. The Company is well-positioned to capitalize on lucrative consolidation opportunities in the fragmented IT market of KSA. With a strong local content score of 42.6%, solutions by stc continues to reinforce its role as a key driver of digital transformation in the region.

Sizeable and diversified portfolio

With a strong pipeline of projects and a long-standing partnership with stc, solutions by stc has built a strong and diversified portfolio that underpins its sustained growth. The Company boasts an impressive winning ratio of over 77% in 2025, reflecting its ability to secure and execute high-value contracts. This momentum is further highlighted by the signing of more than 220 customer contracts in 2025 across various industries.

Superior value creation

solutions by stc consistently delivers strong financial performance, achieving a return on invested capital (ROIC) of 31.5% in 2025, which is well above its cost of capital. This exceptional value creation highlights the Company's ability to generate high returns for its stakeholders while maintaining a disciplined approach to investment and growth.

Asset-light business model

With an organic CAPEX-to-revenue ratio of just 1.5% in 2025, solutions by stc operates an asset-light business model that enables scalability and operational efficiency. This strategic approach allows the Company to maximize profitability while maintaining flexibility in a rapidly evolving digital landscape.

Free cash flow generation

solutions by stc maintains a solid track record of sustainable free cash flow generation, supported by a resilient business model and strong execution.

Generous dividends

For 2025, the Board of Directors has recommended an ordinary dividend of ₪ 8.0 per share. This implies a payout of 63% of net profit for the year, in line with the Company's progressive dividend policy and reinforcing its commitment to sustainable shareholder value.

Robust balance sheet

solutions by stc maintains a healthy financial position, ending 2025 with a net cash balance of ₪ 1.3 billion, which represents 0.7x its last twelve months (LTM) EBITDA. This solid balance sheet provides the Company with the financial resilience to pursue strategic investments while maintaining financial stability.

Efficient capital allocation

The Company follows a disciplined capital allocation strategy focused on high-return organic capex, value-accretive M&As, and high-potential partnerships and PPP projects. With a commitment to progressively rising dividends, solutions by stc continues to enhance long-term value creation for its stakeholders.

Our key sectors



Shareholder's information

Share Information

Listing date:
30 September 2021

Exchange:
Saudi Stock Exchange (Tadawul)

Symbol:
7202

ISIN:
SA15CIBJGH12

Number of shares issued:
120,000,000

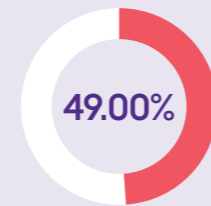
Closing price as of 31 December 2025:
ﷲ 225.10

Market cap as of 31 December 2025:
ﷲ 27,012,000,000

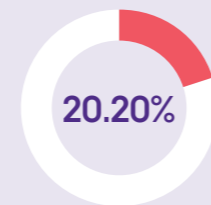
Stock liquidity

	Average daily trading value (ADTV)	Average daily volume (ADV)
solutions by stc	ﷲ 33,456,943	122,094

Foreign ownership limit:



Free float:



Investor relations calendar 2025

Conferences

Form	Date	Location
Saudi Capital Market Forum	18-20 February	KSA
EFG Hermes Conference	8-11 September	London
J.P. Morgan Conference	7-9 October	New York
Bank of America Conference	4-6 November	KSA

Earnings calls

Form	Date	Host
Earnings call FY24	24 February	Alrajhi Capital
Earnings call Q1	30 April	Haitong Capital
Earnings call Q2	30 July	SNB Capital
Earnings call Q3	4 November	AlJazira Capital

+480

Interactions with investors

22

Analysts covering the stock with 18 buy and 3 hold and 1 underweight ratings

(Included in MSCI and FTSE emerging market indices)

Share price performance vs. benchmark equity indices



Download our IR App



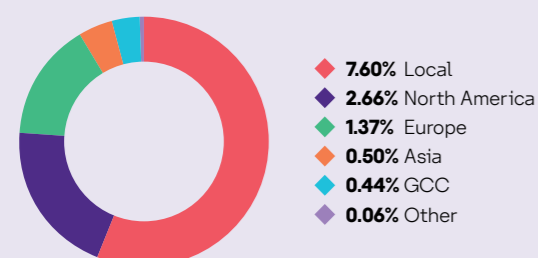
Analysts

- ▶ J.P.Morgan
- ▶ Citi Group
- ▶ Goldman Sachs
- ▶ BOFA
- ▶ United Securities
- ▶ Ubhar Capital
- ▶ anb Capital
- ▶ Riyadh Capital
- ▶ Arqaam Capital
- ▶ SNB Capital
- ▶ Jefferies
- ▶ Morgan Stanley
- ▶ UBS
- ▶ WOOD & Company
- ▶ SICO
- ▶ HSBC
- ▶ Yaqeen
- ▶ Al Rajhi Capital
- ▶ AlJazira Capital
- ▶ Saudi Fransi Capital
- ▶ Haitong
- ▶ Akseer Research

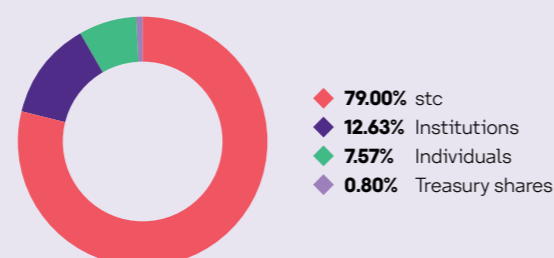
Visit solutions by stc website



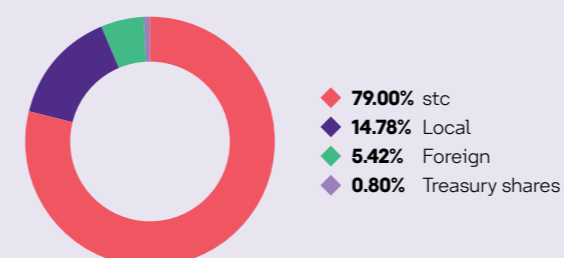
Shareholding by geography (institutions)



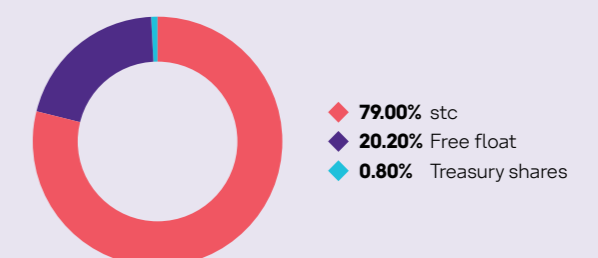
Shareholding by type



Share ownership structure



Major shareholders



Strategic review

Chairman's statement	32
CEO's message	36
Business model	40
Stakeholder engagement	42
Strategy and Vision 2030	44
Strategic partnerships	48
Market overview	52
Risk management	56



solutions by stc continues driving Vision 2030 goals through economic diversification, public sector efficiency, and sustainable development.

Chairman's statement

shaping intelligent possibilities

solutions by stc has continued to strengthen its role as the region's foremost catalyst of intelligent digital transformation. This was a year defined by ambition matched with disciplined execution, where strategic direction, investment, and technological capability converged.



#1

IT provider in the Kingdom

We advanced national priorities while accelerating innovation across government, enterprise, and society. From reimagining healthcare decision-making through AI to enabling smart mobility ecosystems and advancing digital infrastructure for cities, we demonstrated how technology can elevate quality of life, increase productivity, and unlock future growth.

Navigating a rapidly evolving sector

The Saudi technology market continued to transform at pace, driven by regulation, global competition, and the rapid integration of AI. AI moved beyond experimentation and emerged as a core driver of operational efficiency, enhanced user experiences, and new business value.

These shifts prompted us to evolve from a traditional digital solutions provider into an AI-driven transformation partner. Our strategic positioning deepened, supported by stronger alignment between offerings, commercial, and delivery capabilities, enabling faster innovation cycles and higher impact for clients.

Partnerships were central to this shift, with collaborations formed to co-design next-generation ecosystems and accelerate AI adoption across cloud, managed solutions, and digital platforms. These efforts reflect a broader transition underway within the Kingdom toward intelligent, data-enabled, and predictive service models.

We continue to align closely with Vision 2030, driving economic diversification, public sector efficiency, and sustainable development.

Advancing the Kingdom's digital agenda

solutions by stc continued to align closely with Vision 2030, driving economic diversification, public sector efficiency, and sustainable development. AI-enabled platforms enhanced healthcare capacity, digital infrastructure improved service responsiveness, and smart urban investments supported mobility innovation. These contributions strengthened our role as a trusted enabler of national progress and a source of measurable value for stakeholders.

The year delivered strong financial momentum supported by disciplined execution, rising demand, and a sharp focus on scalable, technology-driven solutions.

Driving strategic innovation and partnerships

Innovation continued to shape our trajectory in 2025, guiding both how we build solutions and how we collaborate across the ecosystem. The enterprise network marked an important leap forward, enabling a new generation of enterprise network services underpinned by automation, analytics, and intelligence. Such offerings demonstrate our efforts in spearheading the next wave of intelligent market offerings, signaling a focus on commercializing differentiated offerings that serves national priorities.



Innovation continues to shape our trajectory, guiding solution development and ecosystem collaboration.

Riyadh Muawad
Chairman of the Board



Chairman's statement continued

These efforts illustrate a deliberate evolution. We are not simply adopting new technologies but co-creating ecosystems, anchoring national capability, and generating long-term value through integrated platforms and partnerships. By bringing together talent, technology, capital, and national ambition, we are strengthening our role as a catalyst for intelligent transformation across the Kingdom's key industries.

Governance that builds trust

Robust governance remained a core pillar of confidence and continuity in 2025. A renewed Board brought fresh perspective and reinforced disciplined oversight, ensuring decisions were grounded in transparency, accountability, and long-term value creation. Throughout the year, we advanced our governance maturity by enhancing enterprise-wide risk management, with particular focus on cybersecurity resilience, regulatory compliance, and proactive risk visibility across our business units.

Sustainability continued to be embedded within strategic priorities rather than treated as an adjunct activity. Investments in energy-efficient technologies, healthcare collaboration, education programs, and national capability development supported broader socio-economic objectives and reflected our alignment with Vision 2030. These efforts demonstrated how responsible stewardship and stakeholder commitment remain integral to our growth journey, enabling us to contribute meaningfully to national progress while strengthening trust among customers, partners, shareholders, and society.

At solutions by stc, sustainability continues to be embedded within our strategic priorities rather than treated as an adjunct activity.

Looking ahead

We enter 2026 from a position of strength, ready to deepen our influence across Saudi Arabia and the wider region. Growth will be driven by expanding AI-powered solutions across sectors, reflecting rising national demand for predictive automation, real-time intelligence, and connected infrastructure. We will continue reinforcing our cloud leadership through enhanced multi-cloud management and integration layers that enable organizations to modernize operations with greater scalability and security. At the same time, our expanding application and platform integration capabilities will improve interoperability for customers, supporting more seamless digital transformation journeys.

To accelerate this trajectory, we will advance our business process outsourcing (BPO) offerings across HR, supply chain, finance, accounting, and facilities management, helping clients improve efficiency and resilience while focusing on core business growth. Partnerships and acquisitions will continue to be strategic levers for capability expansion, while our investment in innovation-driven talent will support the national ambition of building a diversified, knowledge-based economy. With clear priorities, proven execution power, and alignment with Saudi Arabia's Vision 2030, we will continue shaping intelligent possibilities, enabling a smarter, more connected future for the Kingdom and the region.



We will continue shaping intelligent possibilities, enabling a smarter, more connected future for the Kingdom and the region.

Acknowledgments

On behalf of the Board, I extend our appreciation to our shareholders for their trust and belief in our strategic direction, which enables us to pursue bolder ambitions and create enduring value. I also recognize our employees, whose dedication, expertise, and ingenuity continue to power our progress and translate vision into outcomes. Together, we remain focused on shaping intelligent possibilities for the Kingdom and advancing a future defined by innovation, resilience, and shared prosperity.



CEO's message

Leading the next era of intelligent transformation

This year represented a defining moment in solutions by stc's journey – where vision translated into impact, and ambition evolved into intelligent execution. Across the Kingdom and the region, our ecosystem witnessed the shift from traditional digital enablement to the creation of AI-powered economies.

We advanced national priorities, strengthened strategic sectors, and unlocked new frontiers of possibility in line with Saudi Vision 2030. Through this progress, solutions by stc continued to reinforce its position as the region's trusted orchestrator of digital change and a national force shaping the next horizon of innovation.

What truly differentiates solutions by stc is the strength of our integrated value chain, uniting Devoteam's digital consulting, Giza Systems' smart solutions and application delivery, and upsource's BPO offerings, enabling us to take customers from strategy and design through build, run, and measurable impact at scale.

Driving positive change for the Kingdom

This transformation of solutions by stc throughout 2025 was visible through programs that reimagined healthcare decision-making using AI, city-scale mobility systems built on predictive analytics, enterprise cloud capabilities powering smarter companies, and sovereign platforms protecting national resilience. These outcomes represented the maturation of our strategy: accelerating from enabling digital transformation to pioneering intelligent ecosystems that think, learn, and adapt.

Our progress in 2025 was grounded in execution discipline and guided by a clear ambition to translate intelligence into impact.



shaping the next horizon of innovation

Throughout 2025, we deepened our role as an economically and socially consequential national partner. Our investments in advanced technologies, sector innovation, and cloud infrastructure empowered both public and private organizations to scale confidently, respond faster, and elevate service quality. This was a year where we did not simply participate in transformation – we shaped it, seeded it, and enabled others to benefit from it.

A year of strategic progress and measurable value

Our progress in 2025 was grounded in execution discipline and guided by a clear ambition to translate intelligence into impact. AI-enabled platforms deployed inside national healthcare systems reduced diagnostic times and optimized clinical workflows. Smart mobility solutions powered smoother urban flow and enabled more effective decision-making for municipalities. Digital infrastructure strengthened resilience for mission-critical national entities, from city development authorities to essential service providers.

Customer experience also reached new levels, supported by automation, analytics, and user-centric service design. Demand for our capabilities remained strong, and client satisfaction improved, reflecting the trust placed in our solutions and teams. This value extended beyond customers to the full stakeholder ecosystem. Shareholders benefited from sustained growth and deeper market penetration in high-growth market segments. Employees advanced in a culture rooted in empowerment, innovation, and continuous capability building. National stakeholders saw tangible benefit through smarter government services, stronger infrastructure, improved economic diversification, and platforms that enabled a thriving knowledge economy.

Our shareholders benefited from sustained growth and deeper market penetration in high growth market segments.



2025 was a year where we did not simply participate in transformation, we shaped it, seeded it, and enabled others to benefit from it.

Eng. Omer Alnomany
Chief Executive Officer

CEO's message continued

Accelerating the rise of AI

AI assumed a central place in the year's achievements. No longer an emerging technology, AI evolved into the core logic powering new value streams. Algorithms optimized energy consumption across government facilities, while predictive analytics informed decision-making in urban assets. At the customer interface, AI-driven support models reshaped service delivery and elevated the overall experience. Across all these applications, one truth remained constant: by embedding AI deeply into our offerings, solutions by stc enabled organizations to think faster, decide smarter, and grow with greater confidence.

Strong financial performance that reflects strategic momentum

Our financial results for the full year underscored resilience, focus, and disciplined execution. Revenue reached ₪ 12,730 million, increasing 5.5% year-on-year, reflecting sustained customer demand and expansion across core digital domains. Net profit reached ₪ 1,503 million, supported by operational efficiency, stronger customer relationships, and scalable technology models. EBITDA rose to ₪ 1,987 million with a corresponding margin of 15.6%, demonstrating the benefit of diversification, intelligent delivery, and commercial strength. These results signal not just performance but strategic positioning – momentum built on capability, not circumstance.

Shaping the future with innovation and partnerships

Innovation remained foundational to everything we achieved. The launch of NileMEA, our joint venture, marked a major milestone in our ability to commercialize highly intelligent platforms. This next-generation service capability strengthens digital infrastructure across Saudi Arabia and the region and reflects our move toward impact-focused technology solutions aligned with national priorities.

Partnerships further amplified our impact. Collaborations with NVIDIA expanded enterprise productivity and advanced cloud modernization. Engagement with Dell strengthened hybrid infrastructure, edge solutions, and computing intelligence. Our work with ST Engineering iDirect enabled growth in secure satellite-based communication, opening new frontiers for government and remote operations. Expanded alignment with Huawei reinforced our capabilities in secure networking and software-defined solutions. Together, these relationships accelerated technology transfer, broadened solution depth, and strengthened our presence across priority sectors.

This year also underscored the strategic importance of public-private collaboration. The extended PPP framework with Remat elevated our role in designing and executing smart city initiatives, marking solutions by stc as a trusted national operator in digitally intensive urban environments.

These accomplishments reflect our evolution from technology implementer to ecosystem builder – bringing together talent, IP, infrastructure, and national ambition to create enduring platforms for progress.

A winning culture powering transformation

People remained the force behind every milestone across solutions by stc. We invested deeply in skills, learning pathways, innovation programs, co-op development, and leadership pipelines to ensure our talent could meet rising market demand for digital and AI capability. Talent incubation initiatives and cross-company mobility programs enabled career acceleration and knowledge transfer across the Group. This emphasis on human capital reflects a growing truth: the Kingdom's digital future will be written by its people, and we have a responsibility to nurture that capability.

Looking forward with purpose and conviction

As we enter 2026, solutions by stc stands ready to deepen its influence across Saudi Arabia and the wider region. We will expand our AI-driven capabilities across sectors, enabling organizations to harness intelligence at scale. Cloud leadership will strengthen through sovereign investments, broader multi-cloud orchestration, and new platforms making enterprise modernization seamless. Our application and integration capabilities will grow, enabling clients to unlock interoperability across systems and accelerating their digital transformation journeys.

BPO solutions will expand across HR, supply chain, finance, accounting, and facilities management – helping institutions improve resilience and efficiency while focusing on their strategic priorities. Partnerships and acquisitions will remain central levers for capability expansion, while talent development will continue to empower a fast-growing national digital workforce.

With a clear purpose, proven delivery strength, and alignment with Vision 2030, we will continue to shape intelligent possibilities – enabling a smarter, more connected, and more resilient future for our customers, our society, and our region.

Acknowledgments

I extend my gratitude to the Board and Executive Management for their vision, stewardship, and trust. My appreciation also goes to our employees, whose ingenuity and commitment continue to transform ambition into outcomes. To our partners who support this journey, and to our customers who remain at the heart of our purpose, I thank you for enabling us to do work that matters.

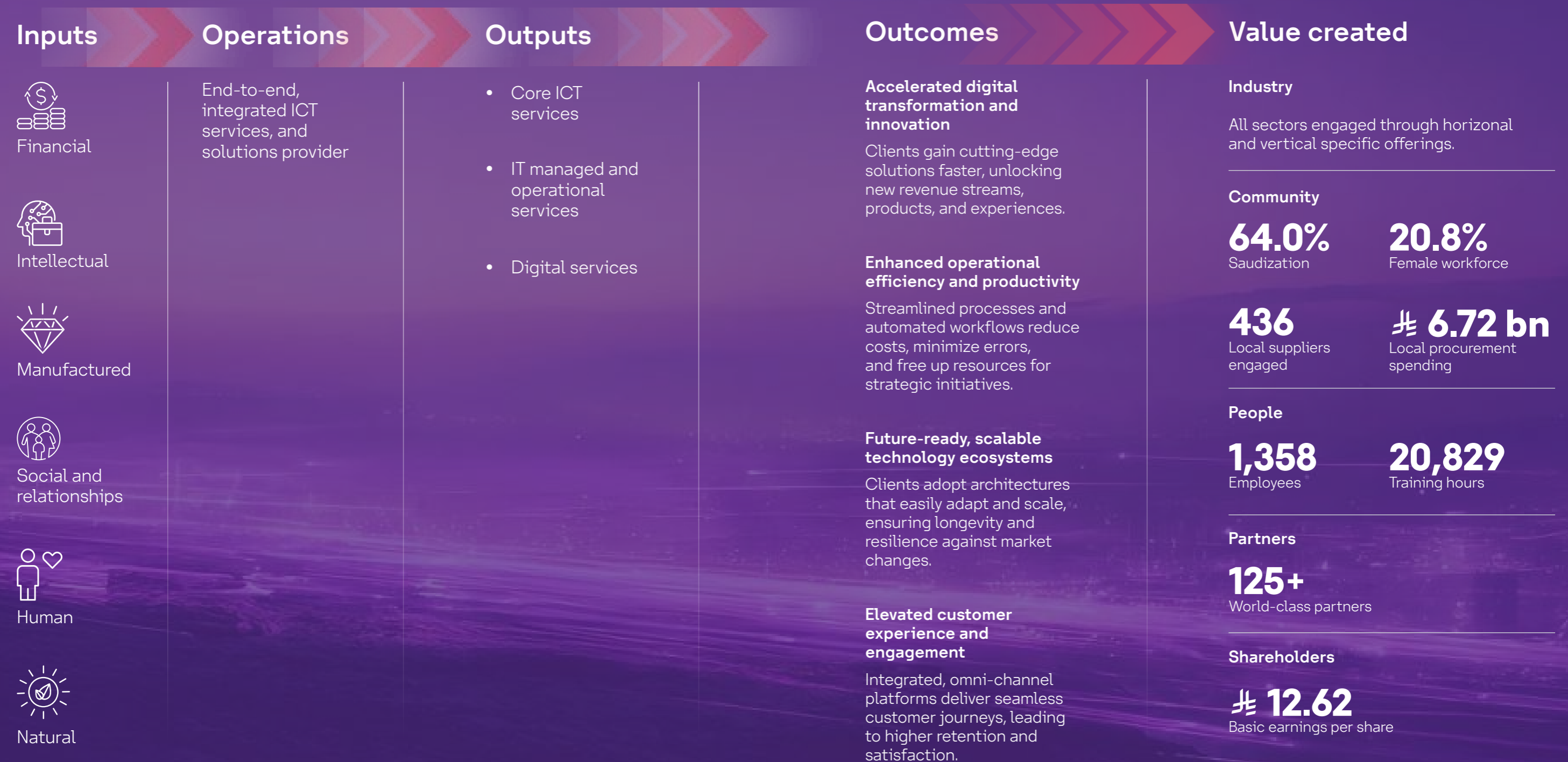
We look to the future with confidence – it will be a year where solutions by stc expands beyond digital transformation to unlock intelligent possibility, advancing the Kingdom toward its next era of economic leadership and societal progress.



Strategic partnerships amplified our impact, accelerating technology transfer and expanding solution depth across priority sectors through collaborative innovation.

Business model

Our business model leverages strategic inputs, efficient operations, and impactful outcomes to deliver differentiated ICT services and solutions that create sustainable value for our stakeholders. By aligning our resources with innovation and operational excellence, we address the diverse needs of government, industry, community, and shareholders while contributing to long-term growth and national development.



Stakeholder engagement

At solutions by stc, our proactive approach to stakeholder engagement is the cornerstone of how we create enduring value. By fostering meaningful connections and maintaining open communication across all stakeholder groups, we ensure that our strategies align with their evolving needs and expectations.

Through dedicated engagement channels, continuous feedback loops, and tailored initiatives, we drive collaboration, transparency, and innovation, delivering impact that resonates with employees, customers, partners, communities, and shareholders alike. This commitment reflects our belief that sustainable success is built on empowering every stakeholder to thrive and contribute to our shared vision of progress.

Stakeholder group	Our employees 	Our customers 	Private partners 	Subsidiaries 	Our suppliers and partners 	Our community 	Our shareholders 
How we engage	<ul style="list-style-type: none"> Leadership engagement programs Pulse surveys Internal communication channels and events Training sessions, programs, and workshops (e.g. Signature Program, Talks by solutions, etc.) Newsletters and magazines (e.g. Monday's Achievements Newsletter, Learning Magazine, Business Insights Newsletter, etc.) Knowledge Exchange Platform SnapChat Intranet (Takyah) 	<ul style="list-style-type: none"> Customers receive surveys in multiple touchpoints at every stage, from project discussion to closure Pulse surveys every 3 months Quarterly business reviews with customers Customers are able to reach solutions by stc's team via multiple channels 	<ul style="list-style-type: none"> Measure and evaluate solutions by stc partners and PPPs experience with the Company 	<ul style="list-style-type: none"> Evaluate customer experience delivered by subsidiaries CX maturity practice Conduct culture activities with subsidiary frontliners to foster customer centricity mindset 	<ul style="list-style-type: none"> Vendor relations team (isupplier, 1000 Unified Support Center, Ticketing System) Procurement team (ESHARY) Hosting annual vendor day event Quarterly meeting with top vendors and partners Workshops Partner satisfaction surveys 	<ul style="list-style-type: none"> Social media Social contributions solutions by stc website 	<ul style="list-style-type: none"> solutions by stc Annual Report Open and transparent communication channels through roadshows and conferences Quarterly IR materials Governance, risk, and compliance AGM meetings Website and IR app
Engagement frequency	<ul style="list-style-type: none"> High Interaction 	<ul style="list-style-type: none"> Continuous throughout the year 	<ul style="list-style-type: none"> Bi-annual 	<ul style="list-style-type: none"> Monthly Yearly Ongoing 	<ul style="list-style-type: none"> Daily Monthly Quarterly Annually 	<ul style="list-style-type: none"> Continuous throughout the year 	<ul style="list-style-type: none"> High interaction
Key actions implemented	<ul style="list-style-type: none"> Development of action plans based on employee feedback Implementation and tracking of action plans to completion 	<ul style="list-style-type: none"> Project Managers rotated to best serve project needs Pain points addressed immediately (inner-loop) Broader company initiatives target recurring customer issues (outer-loop) 	<ul style="list-style-type: none"> All points to enhance and improve the partner experience All points to enhance the experience of PPP customers with solutions by stc 	<ul style="list-style-type: none"> Opportunities to enhance customer experience 	<ul style="list-style-type: none"> Establish clear communication channels Vendor development and support Vendor segmentation Strategic sourcing Define single point of contact (SPOC) 	<ul style="list-style-type: none"> Social investment and community development 	<ul style="list-style-type: none"> Feedback or comments received from investors are carefully considered and discussed internally with the Management team
Value created for the stakeholder group	<ul style="list-style-type: none"> Prioritize employees by fostering an inclusive and equal workplace with robust development programs for career growth Employee well-being supported through comprehensive programs, and a range of benefits ensures financial and personal security Access to excellent facilities and services further enhances employee experience 	<ul style="list-style-type: none"> Top-tier customers receive a unique and differentiated experience All customer complaints promptly resolved Focus on enhancing project quality and Project Manager engagement to resolve issues proactively 	<ul style="list-style-type: none"> Partners and PPP customers are part of solutions by stc's customer ecosystem. Measuring and evaluating their satisfaction will maintain business 	<ul style="list-style-type: none"> Enhance overall customer experience and reputation 	<ul style="list-style-type: none"> Support suppliers to optimize their processes and logistics, improving supply chain efficiency Adoption of digital tools and automated systems that enhance inventory management and forecasting accuracy Adopting best global practices to create value for all parties 	<ul style="list-style-type: none"> Foster the notion of giving back to expand our impact to reach the communities we operate in Enable social empowerment through digital technologies 	<ul style="list-style-type: none"> Continue to enhance shareholder value while ensuring shareholders stay informed about the Company's activities through participation in various events, such as one-on-one meetings, update calls, conferences, and official earnings calls

Strategy and Vision 2030

LEAP 2.0: A bold vision for a transformative era

In an age of rapid technological evolution and a transformative national agenda, our journey in the Kingdom of Saudi Arabia and the region is defined by our unwavering commitment to innovation, growth, and excellence.

Over the past year, we have established a robust foundation of capabilities and offerings, positioning ourselves as a trusted leader in the IT landscape both locally and regionally. As we enter 2026 with strengthened foundations, our enhanced LEAP 2.0 Strategy reaffirms our commitment to shaping the future of the Kingdom of Saudi Arabia and the region while delivering sustainable, long-term value to our stakeholders.

In the Kingdom, Vision 2030 serves as a guiding beacon, aligning our strategic priorities with the nation's goals for economic diversification, digital empowerment, and social development. This transformative momentum, coupled with the exponential growth of the global technology sector, creates an extraordinary opportunity for us to lead. LEAP 2.0 is our strategic blueprint to not only navigate this dynamic landscape but also actively shape it, creating meaningful and lasting value for our clients, partners, and the Kingdom.

LEAP 2.0 is structured around 4 core pillars, each designed to unlock opportunities, meet evolving customer needs, and ensure our operations drive a more technologically advanced, resilient, and sustainable future. Through disciplined execution of this strategy, we continue to build a digital ecosystem that empowers our customers to achieve sustainable growth, both regionally and globally. As we progress, LEAP 2.0 positions us to deliver a transformative impact, guided by the vision of a digitally empowered future.

and cohesive strategy to drive progress for both our Organization and the broader interests of our stakeholders and society.

We see ourselves as a catalyst for sustainable advancement, consistently adapting to emerging trends and challenges. Whether through cutting-edge service offerings, strategic partnerships, or cultivating a dynamic and skilled workforce, our focus is on delivering measurable impact for our customers, stakeholders, and community. Guided by our principles of innovation, excellence, and collaboration, we remain committed to shaping a brighter, more technologically advanced future for Saudi Arabia and the wider region.

Charting the path forward

Through our LEAP 2.0 approach, we are steadfast in supporting the Kingdom's vision for digital transformation and economic diversification. Our 4 strategic pillars come together as an integrated



Pillar

L
Lead through service excellence 


We are driven to remain the undisputed leader in the Kingdom's ICT services market, setting a new standard for quality, innovation, and client satisfaction. We go beyond just providing services, delivering cutting-edge solutions every day that consistently exceed client expectations and redefine what is possible in the industry.

We achieve this through a deep commitment to continuous improvement, investing in core capabilities, and proactively addressing future market needs. By building the strongest and most reliable foundation for ICT capabilities, we ensure that the highest level of service excellence becomes the benchmark for the industry and a key driver of digital transformation.

E
Empower business growth and diversification 

Our focus on embracing the future and actively pursuing growth opportunities drives meaningful impact. We remain committed to staying ahead of the curve by exploring emerging technologies and innovative business models, such as co-creation, PPPs, and revenue-sharing arrangements.

Through strategic investments in research and development (R&D) and by forging impactful partnerships, we push boundaries and expand our offerings to tap into new markets. Our role is to be a pioneer in the evolving technological landscape, ensuring that we are not just participants but leaders in shaping the next generation of digital solutions. Dynamic expansion and capturing the potential of tomorrow's technology today lie at the heart of this strategy.

A
Achieve excellence in customer engagements 

Our customers and their ever-evolving needs are central to everything we do. We are committed to building meaningful, long-term relationships by deeply understanding our clients' unique needs and delivering a customer experience that sets us apart.

We aim to become a trusted advisor and a key contributor to our clients' success stories, moving beyond transactional relationships to create true partnerships. By refining every touchpoint, tailoring offerings to specific industries, and fostering loyalty, we ensure that every client interaction is personalized, positive, and productive. Our goal is to transform satisfied customers into advocates who champion the solutions by stc brand and its impact on their businesses.

P
Promote efficiencies and sustainability 





We work each day to create a responsible, sustainable business that aligns growth with long-term economic, social, and environmental goals. We are prioritizing operational excellence by streamlining internal processes, optimizing resources, and reducing environmental impact through sustainable practices.

Our commitment extends to fostering a strong internal culture, investing in our people through skills development, leadership training, and strategic workforce planning, ensuring we build a future-ready Organization. Additionally, we support the Kingdom's broader economic and social development goals by aligning our efforts with initiatives like Saudization and fostering community engagement. By creating a foundation of efficiency, sustainability, and responsibility, we ensure our growth is impactful, ethical, and aligned with national priorities.

Strategy and Vision 2030 continued

Supporting the goals of Vision 2030

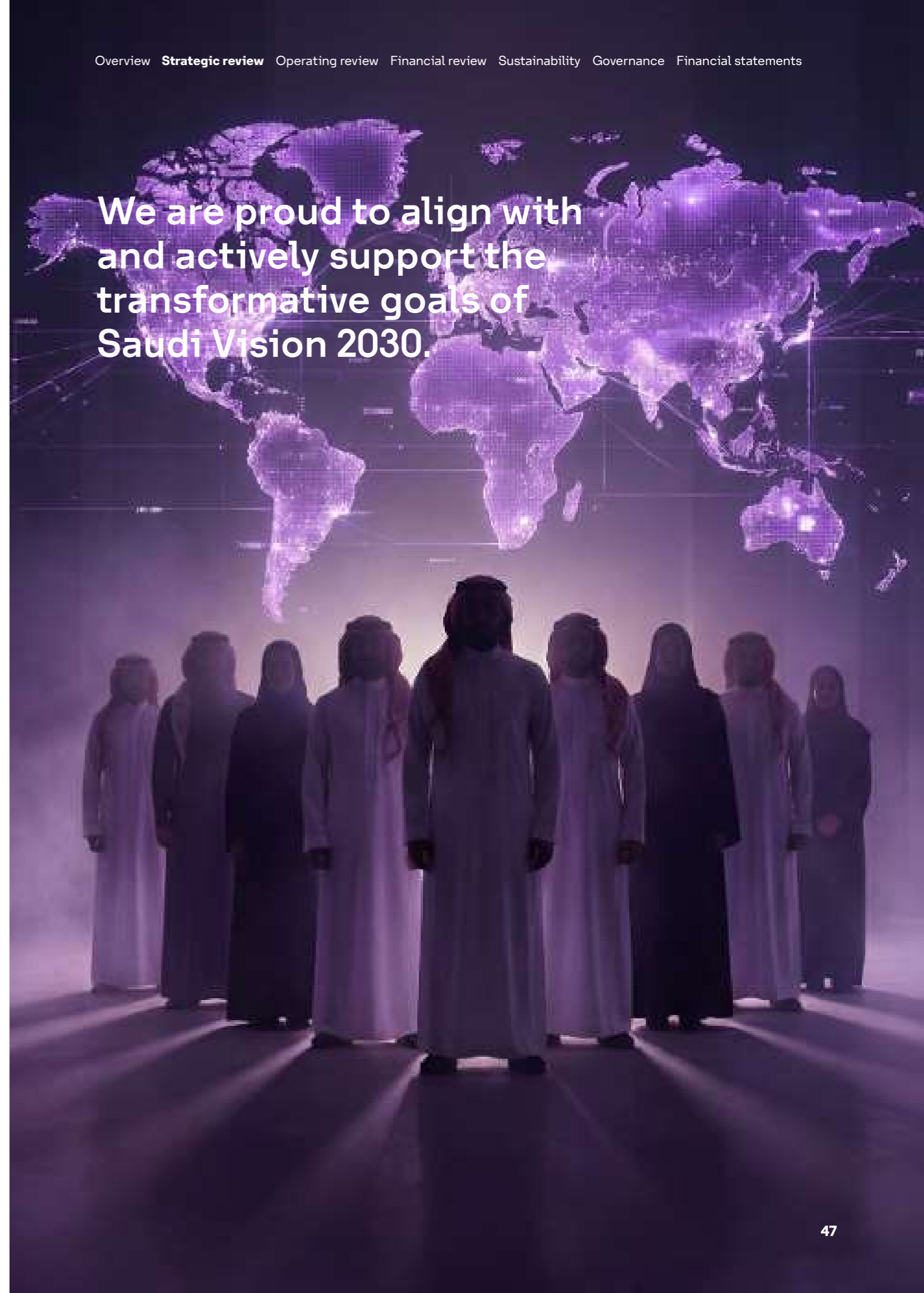
At solutions by stc, we are proud to align with and actively support the transformative goals of Saudi Vision 2030 through strategic initiatives and partnerships:

 <p>Driving digital transformation</p> <p>We collaborate with businesses of all sizes to implement digital transformation initiatives that enhance efficiency, boost productivity, and open access to new markets</p>	 <p>Advancing mega government projects</p> <p>Through our involvement in landmark projects such as NEOM and the Red Sea Smart Cities initiatives, we contribute to positioning the Kingdom of Saudi Arabia as a leading global digital economy and society</p>
 <p>Partnering with global innovators</p> <p>By partnering with global technology leaders, we ensure the latest innovations are brought to Saudi Arabia, enabling the Kingdom to maintain a competitive edge in the global technology landscape</p>	 <p>Developing local talent</p> <p>We provide training and education programs designed to equip Saudis with the skills required to thrive in the technology sector, supporting a skilled workforce and advancing Saudization</p>

We have sharpened our strategic lens to ensure that every solution we deliver is future-proof, customer-focused, and socially responsible. Our commitment to excellence positions us as more than just a provider - we aspire to be a trusted partner in progress for the Kingdom and beyond.



Maher Salem Althiyabi
Chief Strategy Officer



We are proud to align with and actively support the transformative goals of Saudi Vision 2030.

Strategic partnerships

Building a stronger ecosystem for innovation

Strategic partnerships at solutions by stc continued to execute a transformative agenda that strengthened our leadership as Saudi Arabia’s premier systems integrator and digital transformation enabler. It was a year defined by strategic expansion, portfolio optimization, and record industry recognition, culminating in the evolution of our partnership model into a value-driven ecosystem that fuels innovation across the Kingdom.

Despite external market pressures, we deepened collaboration with global technology leaders, secured exclusive regional partner statuses, and enhanced profitability while maintaining alignment with Vision 2030’s digital ambitions.

Advancing strategic impact through an ecosystem model

Partnerships remain a cornerstone of our strategy, providing access to advanced technologies, enhancing delivery capabilities, and driving operational efficiency across the business. In 2025, we evolved from a conventional vendor engagement model to a strategic partnership ecosystem designed to unlock shared value and strengthen our market leadership.

This model integrates strategic, alliance, and technology partners into a cohesive framework that amplifies value creation. By segmenting and right sizing our partnerships, we enabled deeper engagement, improved coordination, and sharpened alignment with our business strategy. Our partnership ecosystem now functions as a dynamic business platform that supports every aspect of our operations – from AI infrastructure and cybersecurity to managed services and cloud transformation.

The division’s contribution to overall company performance was significant. Partnerships provided reliable access to cutting-edge technologies and ensured continuity across critical programs. Alliance partners such as Cisco, Dell, and HPE served as stable revenue anchors, while new collaborations expanded our reach into emerging technology domains. Collectively, these relationships enhanced profitability by 2-3%, increased efficiency, and improved competitiveness.

Landmark alliances to drive growth and impact

This year, we established 4 transformative partnerships that positioned solutions by stc at the forefront of next-generation technology domains.

NVIDIA – AI infrastructure and GPU computing

Our collaboration with NVIDIA marked a major milestone in advancing Saudi Arabia’s AI capabilities. The partnership secured exclusive access to cutting-edge GPU technologies and advanced training programs, enabling us to participate in high-value AI transformation projects across both government and enterprise sectors. Recognition as NVIDIA Star Performer for Southern Europe and the Middle East further reinforced our leadership in AI infrastructure and our alignment with Vision 2030’s digital economy goals.

Dynatrace – Application performance management and observability

Partnering with Dynatrace expanded our digital services portfolio through advanced application performance management and observability capabilities. This collaboration addresses the rising demand for cloud-native monitoring solutions and provides customers with end-to-end visibility across applications, infrastructure, and user experience – enhancing reliability and responsiveness in mission-critical digital environments.

DDN – AI-optimized storage and high-performance computing

Our alliance with DDN advanced our position in AI-optimized data infrastructure. Elevated to Tier 2 – Collaborative status, this partnership enables the delivery of comprehensive, high-performance computing solutions combining compute, storage, and networking. The integration of DDN’s storage technologies complements our NVIDIA partnership, creating a seamless platform for large-scale AI deployments across industries.

Armada – Edge computing and distributed infrastructure

The partnership with Armada introduced new capabilities in distributed computing and edge infrastructure, generating 3.95 million during its initial phase. This collaboration opens new opportunities in 5G, the Internet of Things (IoT), and smart city applications, supporting latency-sensitive workloads and extending our service reach into high-growth digital infrastructure segments.

Together, these 4 partnerships strengthened our participation in the 4 technology pillars shaping the future of the Kingdom – AI, cloud-native applications, high-performance computing, and edge infrastructure – creating a powerful foundation for continued leadership in digital transformation.



Strategic partnerships continued

Deepening and optimizing our partner network

Alongside new collaborations, we continued to strengthen and refine our existing partnerships to drive sustained growth and efficiency. Enhancements focused on 3 key areas: capability elevation, financial optimization, and market differentiation.

We achieved exclusive Fortinet Expert Partner status – becoming the only partner in the region and the third globally – and were authorized as a Dell AI professional services provider, reinforcing our technical and service leadership. We also elevated partnership tiers with Cisco (Gold), Dell (Titanium), HPE, Alibaba Cloud (Platinum), and Broadcom, broadening our capabilities across AI, cloud, cybersecurity, and enterprise solutions.

Our partnership ecosystem continued to be a strong lever for financial optimization and brand elevation. Enhanced rebate programs contributed meaningfully to margin improvement across priority portfolios,

while the effective deployment of Marketing Development Funds supported cost efficiencies and strengthened our market presence. Together, these partnership-driven enablers reinforced our ability to deliver greater value, improve competitiveness, and deepen alignment with strategic business priorities.

A major initiative during the year was the strategic rationalization of our partnership portfolio from over 110 to 60 managed relationships across Tier 1, Tier 2, and Tier 3 partners. This deliberate optimization enhanced efficiency, allowed for deeper engagement, and ensured sharper alignment with Vision 2030 priorities. By focusing on fewer, higher-impact partners, we improved revenue per partnership, strengthened collaboration, and streamlined operational management.

This disciplined approach reflects the maturation of our partnership strategy – moving from transactional volume-based relationships to a value-driven ecosystem that prioritizes long-term alliances, innovation, and customer impact.

Future focus

Looking ahead to 2026, we will accelerate the transformation of our partnership program into a fully integrated ecosystem platform. Our priorities include expanding AI leadership, deepening partner satisfaction, driving 25% year-on-year partner-related revenue growth, and advancing technical capabilities across emerging domains. We will also deploy digital tools and automation to enhance partner management, streamline collaboration, and deliver measurable value for all stakeholders.

By maintaining this strategic focus, we aim to position solutions by stc as the undisputed partner of choice for Vision 2030 digital transformation initiatives and a catalyst for sustainable technological progress in the Kingdom.

Our partnerships are not transactions – they are the foundation of an ecosystem that powers innovation, resilience, and growth across every dimension of our business.



Yousef Abdulrahman AlMarshad

Chief Commercial Officer

The Rising Star Partner of the Year 2024*

Our HPE partnership earned "Rising Star" status after achieving the highest revenue in our history.



Recognized by Seclore as the Strategic Partner of the Year 2025

This recognition honors our partnership and shared commitment to securing Saudi Arabia's digital future through advanced data protection.



Saudi Made Partner of the Year 2024*

Partnering with HPE and Alfajar, we led the market as the top integrator for the first Saudi-made servers.



Service Partner of the Year

As the top Dell Technologies partner, we are honored to be named GPU-as-a-Service Partner of the Year.



*these awards were received during 2025 reflecting progress made in 2024.

Market overview

The global digital economy is entering a defining era of transformation, fueled by rapid advances in emerging technologies, data-driven business models, and government-led diversification programs. Across industries and regions, digitalization has become the core enabler of competitiveness, sustainability, and resilience.

As AI, IoT, cloud computing, and renewable technologies converge, global value creation is shifting from traditional sectors toward knowledge, innovation, and connectivity.

Against this backdrop, the Middle East – led by Saudi Arabia – is emerging as a key center of digital and economic transformation, investing heavily in ICT infrastructure, smart cities, and emerging technologies to secure long-term growth and global relevance.

Rapid transformation in the global technology landscape

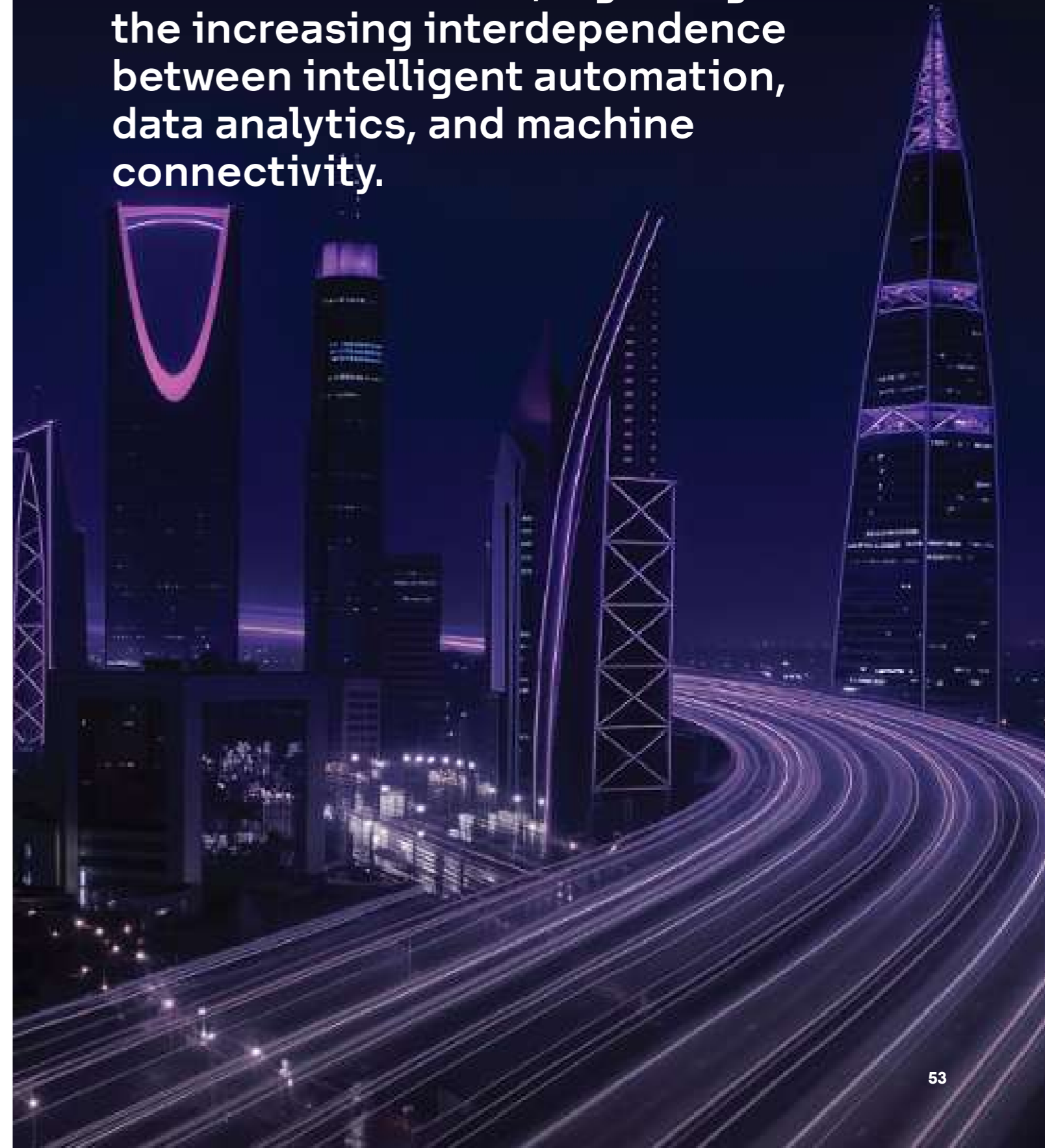
The global technology ecosystem continues to expand at unprecedented speed, driven by emerging technologies that are reshaping production, trade, and everyday life. The emerging technologies market is projected to reach USD 164 trillion by 2033, growing at a compound annual growth rate (CAGR) of about 20%. AI, IoT, robotics, renewable energy technologies, and green hydrogen are among the fastest-growing fields, each playing a pivotal role in enabling Industry 4.0 and the green transition.

AI alone is forecast to generate a market value exceeding USD 4.8 trillion by 2033, followed by IoT at USD 3.1 trillion, signaling the increasing interdependence between intelligent automation, data analytics, and machine connectivity. These technologies underpin global innovation, productivity, and sustainability, while accelerating the transition toward low-carbon economies.

The rapid integration of AI and automation across industries is driving a major shift in labor markets and economic structures. Global enterprises are adopting hybrid models that merge digital and physical operations, with technology investment now accounting for over 10% of total corporate spending in leading economies. The United States, China, Japan, and South Korea remain dominant players in the global technology race, accounting for most of the world's R&D spending and patent activity in emerging technologies.

However, this expansion has also widened the digital divide between advanced and developing economies. Access to advanced data infrastructure, digital skills, and capital investment remains uneven, highlighting the need for inclusive global policies that promote equitable technology adoption and innovation sharing. As global competition intensifies, digital leadership is becoming a defining measure of national progress, placing regions like the Middle East at the forefront of the next wave of innovation.

AI alone is forecast to generate a market value exceeding USD 4.8 trillion by 2033, followed by IoT at USD 3.1 trillion, signaling the increasing interdependence between intelligent automation, data analytics, and machine connectivity.



Market overview continued

MENA's digital ascent

Emerging markets, particularly in the Middle East and North Africa (MENA), are rapidly transforming into digital-first economies. Governments across the Gulf Cooperation Council (GCC) are investing heavily in ICT infrastructure, AI, and renewable energy technologies to diversify their economies away from hydrocarbons. The GCC ICT market is projected to exceed USD 154 billion by 2026, supported by national digital strategies, strong PPPs, and large-scale infrastructure modernization programs.

The Kingdom of Saudi Arabia, the United Arab Emirates, and Qatar are leading this transformation, driven by ambitious national visions and economic diversification plans. The region's strategic position – connecting Asia, Europe, and Africa – has also attracted global technology players seeking to establish regional hubs. Cloud adoption and 5G deployment continue to accelerate across the GCC, with investments in smart cities, cybersecurity, and data centers becoming key competitive differentiators.

These initiatives have positioned the GCC as a rising global technology corridor. As governments prioritize AI development, digital literacy, and data governance, the MENA region is evolving into a testbed for next-generation regulation and innovation, positioning it as a key player in shaping global digital standards.

Saudi Arabia's evolving economic landscape

Saudi Arabia's economic transformation under Vision 2030 continued to gain momentum through 2025, reinforcing the Kingdom's shift toward a more diversified, resilient, and private-sector-led economy. Real GDP growth for the full year is estimated at approximately 4.4%, driven primarily by strong expansion in non-oil activities, which grew by around 5.0%, underscoring the success of structural reforms and sustained investment across priority sectors. Non-oil activities now account for 55% of real GDP, equivalent to approximately ﷻ 2.6 trillion, reflecting the deepening contribution of diversified economic engines to national output.

Labor market conditions continued to strengthen, with the unemployment rate among Saudi nationals declining to 6.8%, supported by sustained job creation in the private sector and continued progress on Saudization initiatives. Financial conditions remained supportive of growth, as private sector credit expanded by approximately 14%, while credit extended to micro, small, and medium-sized enterprises recorded robust growth of around 32%, highlighting a dynamic entrepreneurial ecosystem and improved access to financing.

Major national projects, including giga-projects such as NEOM, Qiddiya, and the Red Sea Global, have continued to attract investment and international partnerships, stimulating growth across construction, tourism, and technology. The Public Investment Fund (PIF) remains a key driver of capital deployment into strategic sectors, including advanced manufacturing, renewable energy, and AI.

International forecasts remain positive for Saudi Arabia's medium-term outlook, with the World Bank estimating GDP growth of 3.4% in 2025, which is set to rise to 5.4% in 2026.

A regional leader in digital transformation

Saudi Arabia has emerged as the region's foremost leader in digital transformation, positioning itself among the world's most digitally advanced nations. The country's ICT market is valued at USD 54.9 billion in 2025 and is projected to reach USD 82.5 billion by 2030, representing a CAGR of 8.49%. National investments exceeding USD 24.8 billion in ICT infrastructure and cloud services underscore the scale of the Kingdom's digital ambitions.

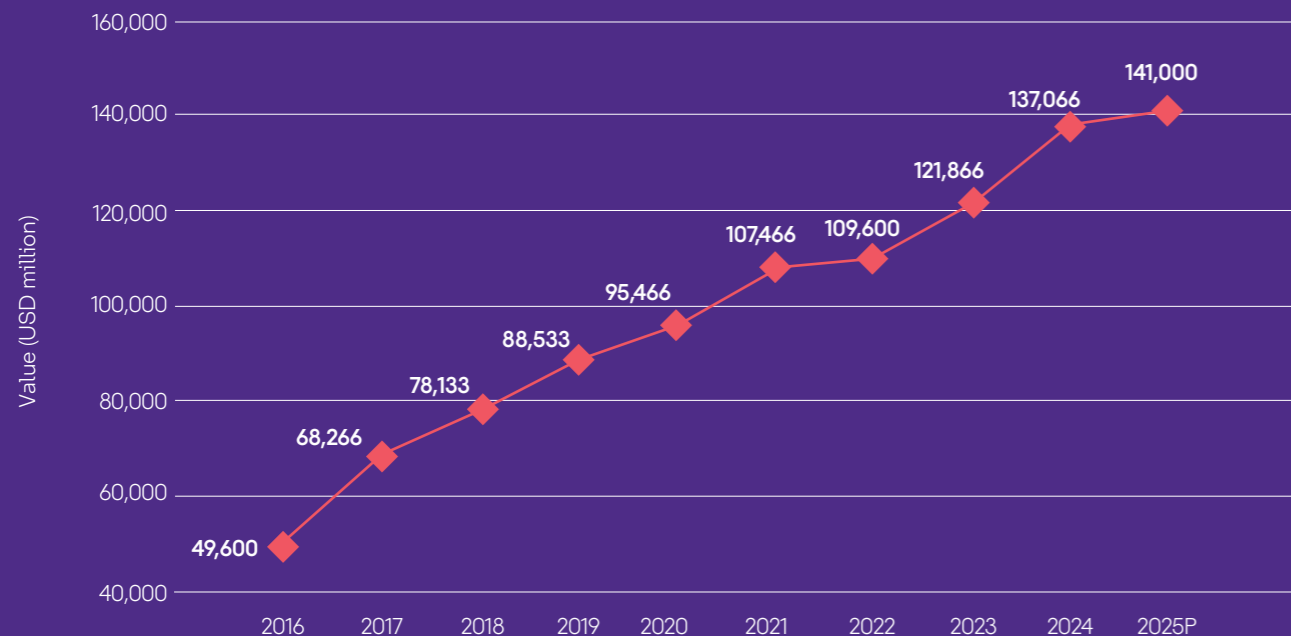
The digital economy now contributes 15% of Saudi Arabia's GDP, with an estimated value of USD 132 billion, and supports over 381,000 highly-skilled technology jobs, with 35% female participation in the tech workforce. This inclusive growth model reflects the effectiveness of Vision 2030 initiatives in fostering innovation and diversity across the digital ecosystem.

Saudi Arabia ranks among the top performers globally in digital readiness and governance. The Kingdom ranks first globally in cybersecurity, sixth in e-government development, and third in AI policy readiness, according to the OECD AI Observatory. These rankings demonstrate Saudi Arabia's leadership in building a secure, efficient, and innovation-driven digital environment.

The country has achieved 99% internet penetration and 78% 5G coverage, supported by a USD 18 billion data center investment program. Major partnerships with international technology firms such as Google, Amazon Web Services (AWS), and SoftBank continue to strengthen local capabilities in AI, cloud computing, and advanced analytics.

National innovation programs such as Alat, the Saudi Data and Artificial Intelligence Authority (SDAIA), and the Generative AI Accelerator (GAIA) are helping develop a robust ecosystem for research, entrepreneurship, and commercialization of emerging technologies. Together, these programs are creating a national innovation ecosystem that bridges research, entrepreneurship, and commercialization.

Non-oil revenue growth since the launch of Vision 2030



With a strong policy framework and continued investment, Saudi Arabia is well-positioned to become a global center for innovation and a benchmark for smart city and digital infrastructure development.

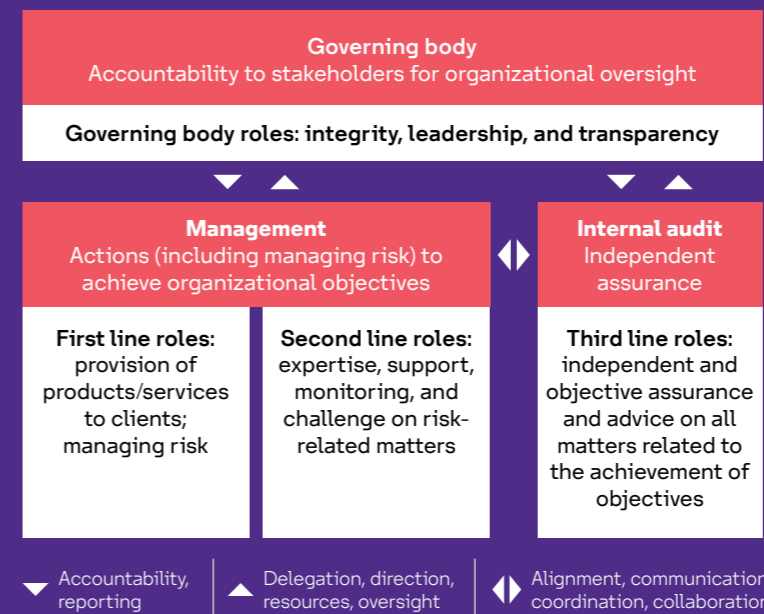
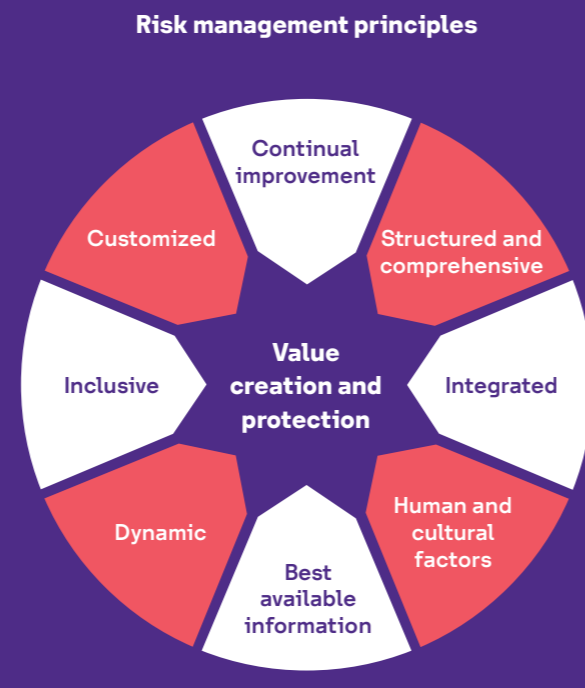
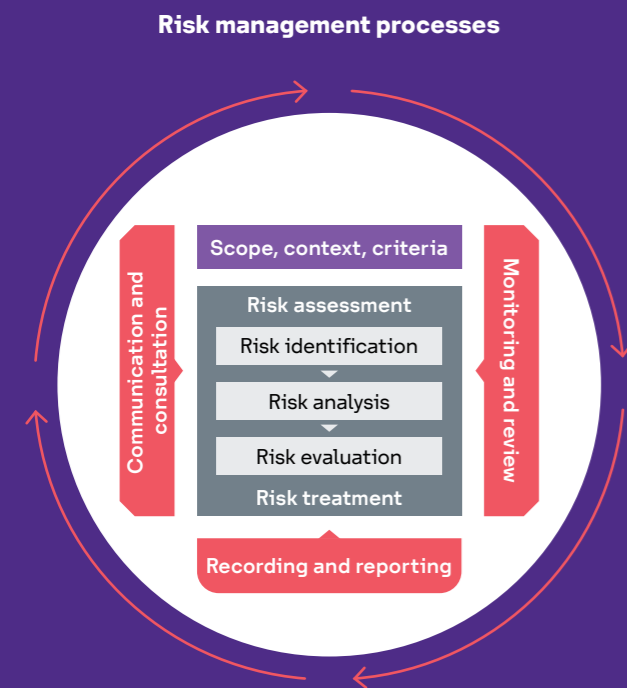
Sources:

- ▶ 2025 Technology and Innovation Report, Inclusive Artificial Intelligence for Development, United Nations, Geneva 2025
- ▶ Saudi Vision 2030 Annual Report 2024
- ▶ Saudi Arabia Digital Government Authority Report 2024
- ▶ Saudi Ministry of Finance Mid-Year Economic and Fiscal Performance Report FY2025
- ▶ Mordor Intelligence – Saudi Arabia ICT Market Industry Report
- ▶ Ministry of Finance 2025 IMF Article IV Consultation Report

Risk management

In an increasingly dynamic and digitally driven environment, we remain steadfast in our commitment to safeguarding the sustainability and resilience of our business. Our comprehensive Enterprise Risk Management (ERM) Framework enables us to anticipate, assess, and address potential risks that may affect our strategic objectives or daily operations. Through this forward-looking approach, we strengthen our ability to prevent disruptions, maintain operational stability, and ensure business continuity under all circumstances.

solutions by stc is dedicated to maintaining and continuously enhancing our advanced risk management practices through our robust governance and control infrastructure. Our approach aligns with leading international standards, including ISO 31000 and COSO ERM, and is fully integrated with our corporate strategy to support informed, strategic, and risk-aware decision-making across the Organization.



Risk management activities

- Certified ISO 31000
- Quarterly monitoring of principal risks
- Annual update of risk assessment
- Monthly/quarterly/bi-annually/annually key risk indicators
- Regular training and awareness to increase the risk culture and risk management knowledge
- Annual assessment for internal control

We remain steadfast in our commitment to safeguarding the sustainability and resilience of our business.

Risk management continued

solutions by stc embeds risk management across all levels of the Organization, ensuring it is seamlessly integrated into decision-making and aligned with the delivery of our business strategy. Through a strong governance framework and close collaboration between business units, we maintain a clear understanding of both internal and external risks and develop tailored strategies and mitigation plans that align with our strategic direction and objectives.

We are committed to maintaining a comprehensive, agile, and forward-looking Risk Management program built on global best practices and leading standards. Our approach increasingly leverages automation, data-driven insights, and technology-based methodologies to enhance decision-making and strengthen organizational resilience. By combining innovation with sound governance, we continue to uphold the highest standards of risk management and meet the expectations of all stakeholders.

Risk governance framework

Our Board of Directors have the ultimate responsibility of governance and oversight of all Risk Management activities across the Company, in accordance with our approved Enterprise Risk Management Policy.

Maintaining certifications and standards

solutions by stc is committed to the continuous enhancement of our Risk Management approach and capabilities. ERM is fully integrated with the Company's strategic objectives and planning processes, ensuring that risk awareness informs decision-making at every level. A key priority is the early identification and reporting of emerging risks, both locally and globally, so that the Risk Management function can actively support the achievement of our strategic goals.

Since 2023, solutions by stc has maintained ISO 31000 certification, reflecting our ongoing commitment to international best practices in ERM. The certification is subject to annual surveillance audits, driving continuous improvement, and strengthening the maturity of our Risk Management program. By doing so, we continue to build resilience and reinforce informed, data-driven decision-making across the Organization.

To ensure the effectiveness of our internal control environment, we conduct an annual Internal Control Review covering all divisions, departments, and functions. This review assesses existing controls, identifies new or evolving risks, and tests both design and operational effectiveness. The results provide Management with assurance over the robustness of our internal controls and the integrity of our overall governance framework.

Risk appetite statement

solutions by stc has developed a clearly defined risk appetite statement that sets out the level and types of risk the Organization is prepared to accept in pursuit of our strategic objectives. This statement establishes clear parameters for risk-taking, ensuring alignment between strategic ambition and prudent governance. It also provides Management with a structured tool to guide effective, informed, and balanced decision-making across the business, and it is updated on an annual basis to ensure continued relevance and alignment with the Organization's evolving strategy and risk environment.

Risk appetite characteristics



Control environment

Risk assessment

Control activities

Information and communication

Monitoring activities



Entity level

Division




Operating unit

Function



Risk management continued

Principal risks

Principal risks	Description	Risk response and mitigation measures	Principal risks	Description	Risk response and mitigation measures
1  Regulatory risk	The risk of non-compliance with applicable laws and regulations resulting in legal and financial implications	<ul style="list-style-type: none"> ▶ Actively adhered to regulatory requirements, supporting our vision to lead in the ICT sector ▶ Maintained a robust compliance management system to enhance Company-wide compliance culture ▶ Aimed to set a benchmark in compliance management, meeting regulatory needs and adopting the best practices ▶ Strengthened relationships with customers, employees, partners, and investors 	5  Cybersecurity and data privacy risk	The risk of increasing sophistication and the variety of cyber-attacks, along with the unauthorized disclosure of organizational or personal data, can lead to operational disruptions, reputational harm, regulatory repercussions, and financial losses	<ul style="list-style-type: none"> ▶ The cybersecurity policies and framework are maintained to assess the changing needs of the Organization, industry, and regulatory obligations and are used to address the challenges posed by the emerging threats and new complex technologies ▶ Maintained robust cybersecurity and data privacy risk and compliance program(s) aligned with regulatory laws/regulations, enterprise risk/compliance, and industry leading practices ▶ Exceeded in identifying, assessing, and mitigating potential incidents and threats to the Company's digital ecosystems ▶ Certified against ISO 27001 Information Security Management System (ISMS) and ISO 27701 Privacy Information Management
2  Sustainability risk	The risk of a decrease in Environmental, Social, and Governance (ESG) performance leading to a decline in our ESG Index ranking, resulting in possibly losing investors and having an adverse reputational impact	<ul style="list-style-type: none"> ▶ A comprehensive strategy and program in place for Sustainability ▶ An ESG Committee has been established to oversee the ESG program and its execution ▶ ESG performance indicators are defined, tracked, monitored, and reported ▶ Communication awareness campaign, and enhancing a sustainability culture and capability 	6  Competition risk	The risk of an increasing footprint by international players and local players continuously striving to gain market share, in addition to an increased number of start-ups in the Kingdom of Saudi Arabia's IT sector, making the market more fragmented	<ul style="list-style-type: none"> ▶ Annual strategy review to ensure relevance to market needs and expectations ▶ Expanded digital and IT offerings, entering new business lines to meet diverse customer needs across the IT value chain ▶ Achieved growth through strategic acquisitions and internal development, broadening portfolio scope ▶ Strengthened product portfolio by building partnerships that introduce complementary solutions ▶ Enhanced customer retention by implementing successful bundling and cross-selling strategies, reducing competitive impact ▶ Conducted continuous market research to identify updates and changes that could impact our market competitiveness, allowing us to adapt proactively to evolving customer and market needs
3  Geopolitical risk	The risk of negative impacts on operations, trade, and strategic goals arising from complex and dynamic interactions shaped by political, economic, and social factors, resulting in disruptions to supply chains and operational support systems	<ul style="list-style-type: none"> ▶ Established alternative shipping methods with multiple carriers for efficient emergency deliveries ▶ Retained the CIPS MENA Procurement Award for excellence in local content ▶ Optimized sourcing strategy to adapt to market dynamics ▶ The Crisis and Disaster Recovery Plan is activated during force majeure events 			
4  Emerging technologies risk	The risk of the inability to adopt transformative technologies resulting in potential operational inefficiencies, compromising agility and leading to a competitive setback	<ul style="list-style-type: none"> ▶ Continuously monitored business insights across the Organization for ICT-related market trends and publications ▶ Regularly assessed and prioritized transformative technologies aligned with business goals ▶ Used agile methods and partnered with tech companies/experts for swift adoption 			



Risk management continued

Business continuity

solutions by stc has established and maintained a comprehensive Business Continuity Framework designed to ensure organizational resilience and operational stability during potential disruptions.

Our leadership is strongly committed to embedding a culture of business continuity throughout the Company. This commitment is reflected in the active involvement of Senior Management, dedicated resource allocation, and the establishment of clear objectives that prioritize resilience and preparedness across all functions.

Each year, we conduct Business Impact Analysis (BIA) and Threat and Risk Assessment (TRA) exercises covering all critical processes to identify potential vulnerabilities and evaluate their impact. These assessments guide the prioritization of recovery efforts and the development of targeted mitigation strategies that safeguard our operations and stakeholders.

solutions by stc has implemented a suite of Business Continuity Plans (BCPs) addressing essential areas such as operations, technology, and facilities. These plans define clear roles and responsibilities, establish communication protocols, and outline recovery procedures for key business functions. Complementing these plans are comprehensive Crisis Management and Incident Response Frameworks that ensure timely, coordinated action when needed. Continuous review, testing, and improvement processes are built into our program to maintain readiness and incorporate lessons learned from previous exercises.

Regular drills, simulations, and tabletop exercises are conducted to validate the effectiveness of our continuity measures and identify opportunities for enhancement. More than 500 employees have participated in training and awareness sessions, ensuring they are fully equipped to fulfill their roles and responsibilities within the Business Continuity Framework. This proactive approach strengthens our ability to respond effectively to disruptions, maintain service delivery, and protect stakeholder confidence under all circumstances.

Business continuity achievements in 2025

Key business continuity achievements and milestones in 2025 included:

Recognized by the Business Continuity Institute

In September 2025, solutions by stc was named the 2025 Award Winner for “Most Original Exercise Programme” by the Business Continuity Institute (BCI). This distinguished recognition highlights our innovative approach to exercising business continuity, designed to rigorously and creatively test the Organization’s resilience and response capabilities across all functions.

The award reflects our commitment to developing forward-thinking exercise programs that go beyond traditional testing. Each simulation is designed to mirror realistic, high-impact scenarios that challenge teams to collaborate, adapt, and respond effectively under pressure. Through this program, we continue to strengthen our readiness, validate the performance of our continuity strategies, and enhance the overall resilience of the Organization.



Certified in ISO 22301: Business Continuity Management System

Since 2020, solutions by stc has achieved and maintained ISO 22301 certification, reaffirming our dedication to establishing, implementing, and continuously improving a comprehensive Business Continuity Management System (BCMS). This certification, reviewed annually, ensures that we remain fully prepared to respond to and recover from any form of disruption, protecting our people, operations, and stakeholders.

Certified in ISO 22320: Emergency Management

solutions by stc has also maintained ISO 22320 certification since 2022, reflecting our commitment to effective incident and emergency management. The certification is reviewed annually to ensure adherence to best practices in communication, coordination, and resource allocation during crises. It reinforces our ability to manage incidents efficiently while maintaining clarity, control, and confidence throughout the Organization.

Annual crisis simulation

Every year, solutions by stc conducts a comprehensive crisis simulation exercise involving senior leadership. These high-level simulations are designed to test and refine real-time response strategies, ensuring that Executives and Management teams are equipped to make decisive, informed decisions under pressure. This annual exercise strengthens organizational coordination, reinforces accountability, and ensures a unified response during potential crises.

Continuous training and awareness

To embed a culture of preparedness across the Organization, solutions by stc runs an ongoing program of training, awareness, and practical exercises focused on Business Continuity Management (BCM). Regular workshops, drills, and simulations are conducted to build employee knowledge, reinforce readiness, and ensure that every team member understands their role in maintaining continuity. This commitment to continuous learning ensures that resilience remains a shared responsibility across all functions.

Operating review

Services and Solutions	66
Customer experience	70
Digital transformation and innovation	72
Public-private partnerships	76
Subsidiaries and associates	78
upsource by solutions	78
Devoteam	79
Giza Systems	80



solutions by stc continues to shape intelligent possibilities, enabling a smarter, more connected, and more resilient future.

Services and Solutions

Sharpening our portfolio and strengthening our execution

In 2025, Services and Solutions focused on building clearer, stronger offerings and improving how we take them to market. We concentrated our efforts on defined products rather than custom projects, expanded direct-to-customer selling, and proved our ability to deliver end-to-end solutions through launches such as GPUaaS and OneCloud. This shift marked a year of disciplined execution and set the foundation for steady, sustainable growth.

Strengthening structure and focus

During 2025, we realigned our operating structure to make the business leaner, clearer, and more accountable across product and delivery lines. This shift allowed us to scale successful solutions, reduce fragmentation, and strengthen governance across the Organization.

Our strategic focus areas also became more targeted. Cloud, connectivity, digital services, and managed services emerged as the core growth engines, supported by AI as a critical technology enabler. With this refreshed structure, we improved execution velocity, enhanced visibility across units, and strengthened our direct-to-market capabilities.

Powering strategic progress

Services and Solutions played a central role in advancing the Company's strategic agenda. Managed services supported the sell-direct model for core offerings including SD-WAN, MRS, MODAR, and EMM, contributing to an increase in sell-direct revenue. Connectivity services delivered year-on-year growth and expanded the portfolio with the launch of the IPVPN service.

Cloud services achieved the highest number of product launches this year with 6 new offerings, most of them positioned for direct sales. The launch of the OneCloud platform is set to further reinforce our sell-direct objectives and expand our cloud footprint.

Our ecosystem also strengthened through deeper partnerships and alliances. Focusing on the sell-direct model, and the creation of a dedicated connectivity commercial team, accelerated go-to-market execution and supported our broader growth priorities.

Bringing innovation to market

Innovation remained a key contributor to our progress in 2025. The Ignite Program transformed employee ideas into new products and service improvements, broadening innovation ownership across the Company.

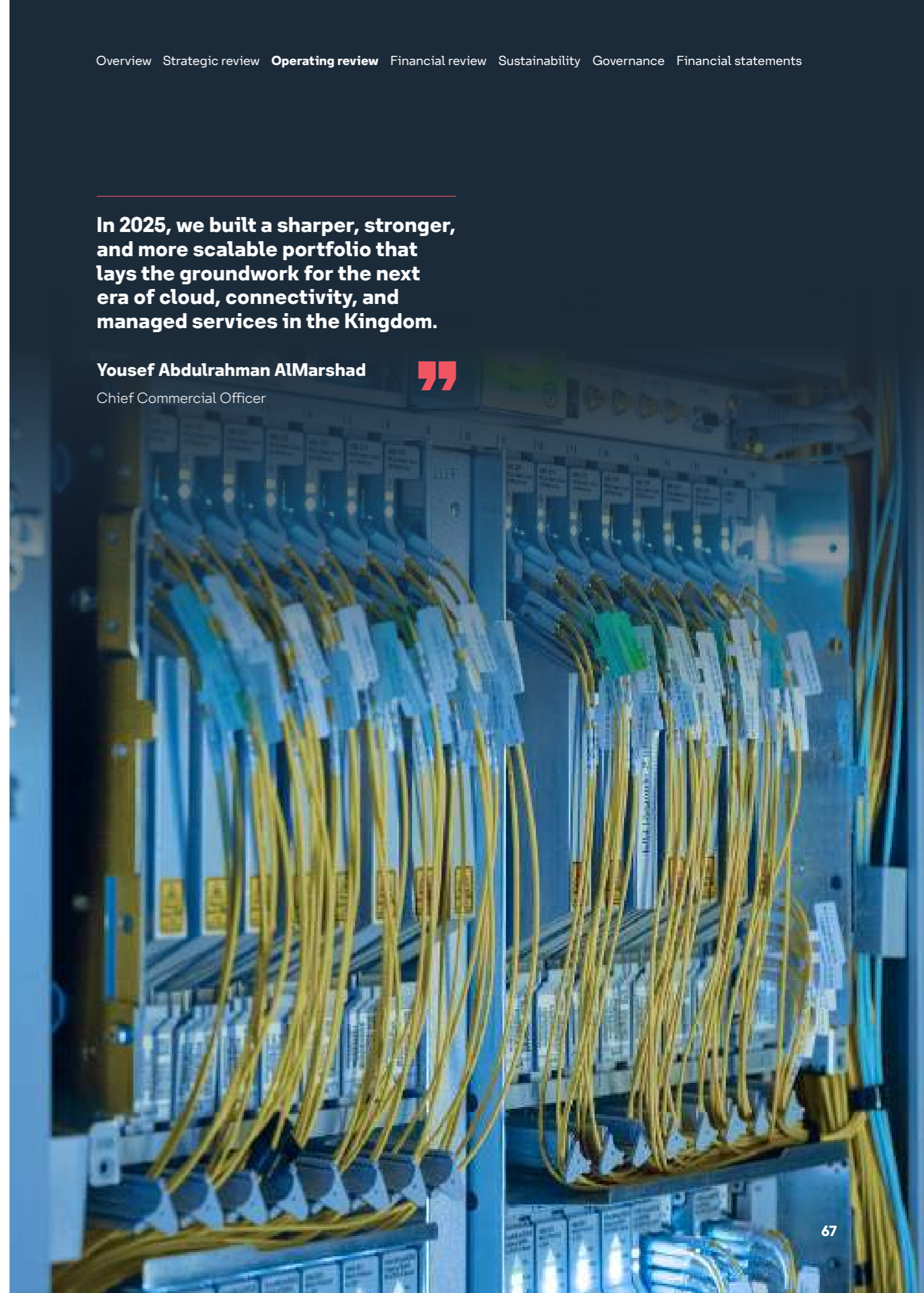
We also brought high-performance AI and machine learning capabilities to our cloud platform, enabling faster processing, and unlocking new enterprise and government use cases, becoming the first NVIDIA NCP partner in the Kingdom of Saudi Arabia to build an AI factory.

Our collaboration with Nile introduced AI-driven enhancements that strengthened reliability and proactive monitoring. In parallel, our work with Remat applied AI to smart parking, improving city street management, and overall mobility. These advancements demonstrated how we continue to apply technology to deliver meaningful customer value.

In 2025, we built a sharper, stronger, and more scalable portfolio that lays the groundwork for the next era of cloud, connectivity, and managed services in the Kingdom.

Yousef Abdulrahman AlMarshad

Chief Commercial Officer



Services and Solutions continued

Advancing our cloud, managed services, and connectivity portfolio

In 2025, we expanded and strengthened our core Services and Solutions portfolio across cloud and digital, managed services, and connectivity. Our focus was on delivering clearer, more scalable offerings supported by strategic investments, strong execution, and a growing ecosystem of technologies and partnerships. Through these efforts, we reinforced our position as a trusted provider of integrated ICT solutions and continued to deliver measurable value to customers across the Kingdom.

Cloud and digital

Accelerating digital transformation with new products, stronger infrastructure, and regional leadership

Our cloud and digital portfolio made significant progress through new product development and launches, expanded data center capacity, and strategic investments aligned with rising customer demand for scalable, secure, and AI-ready infrastructure. Key new launches included OneOffice, a cloud-based productivity suite hosted entirely on our secure data centers, offering a full Software as a Service (SaaS) workspace for collaboration and communication. We also introduced the SoftPOS Bundle, an integrated fintech solution combining NFC-enabled devices, digital payment capabilities, and connectivity to create a seamless merchant experience.

Cloud SIP was launched to replace legacy physical phone lines with cloud-hosted SIP trunks, enabling businesses to scale their communications easily and cost effectively. Zoom Workplace became part of our offering as a unified collaboration platform combining chat, phone, meetings, and conferencing in one digital workspace.

Beyond product development, we strengthened our cloud foundations through key achievements and certifications including the launch of our cloud services portfolio on EXPRO online marketplace.

In addition, our data center investments expanded capacity and added new locations to support growth across cloud, digital services, and AI workloads. We also achieved key certifications, including ISO 27001:2022, ISO 27017:2015, ISO 27018:2019, and CSA STAR Level 2, demonstrating our commitment to leading security and operational standards.

Managed services

Strengthening delivery and expanding high-value capabilities

In 2025, managed services contributed significantly to the growth of our direct-to-customer model, driving an increase in sell-direct revenue. We delivered services to several mega accounts, including NEOM, the Ministry of Health, the Royal Commission for Al Ula, and the Royal Protocol, reinforcing our role as a trusted partner for critical national programs.

We signed a SASE Managed Service Provider agreement with Palo Alto Networks. This partnership positions us as the first provider in Saudi Arabia to deliver SASE-based managed services, by combining Palo Alto Networks' industry-leading SASE technologies with our local expertise and managed services capabilities. We also signed a Memorandum of Understanding (MoU) to strengthen Huawei SDWAN with Secure Edge, positioning us as a full-stack provider for both network and security services.

Investments in managed services included the development of permanent event infrastructure for key sites such as the King Abdul Aziz International Conference Center and the Ritz Carlton, enabling high-quality managed IT support for high-profile events. The addition of Nile's solution to our portfolio further expanded our monitoring and reliability capabilities.

Our commitment to excellence was recognized with the CPS certification from Cisco for SDWAN, marking an important milestone in strengthening our network services and validating our technical leadership.

Connectivity

Expanding secure, reliable, and scalable communication services

Connectivity remained a strategic pillar of our portfolio, supported by new product launches and continued investment in hardware to meet rising customer requirements. We introduced IPVPN, a secure virtual private network service that connects customer headquarters with local branches through a reliable and protected communication infrastructure. This offering strengthened our ability to support enterprise-wide connectivity needs through a dependable, directly offered service.

We continued to invest in core connectivity hardware to support service expansion and performance improvements. Connectivity achieved strong commercial results, delivering an increase in sell-direct revenue during the year. This growth reflected rising demand for secure, high-performance connectivity solutions and the effectiveness of our direct-to-market execution.

Future focus

In 2026, we will build on the progress made this year by deepening our focus on core offerings while expanding our portfolio with services that create meaningful impact for customers across the Kingdom. Our priority is to grow smarter by strengthening direct engagement, improving margins, and enhancing our understanding of customer needs through a more active sell-direct model.

We will continue to advance connectivity with the launch of DIA for SMEs, giving smaller businesses access to enterprise-grade performance and flexibility. At the same time, we plan to expand our Geostationary Orbit (GEO) and Low Earth Orbit (LEO) technologies

into new sectors such as logistics, remote operations, and the private aviation sector, ensuring expanded coverage and enhanced connectivity reliability in the most challenging environments, while offering smart and advanced alternatives to traditional solutions.

AI adoption will accelerate across our portfolio, embedding intelligent automation and analytics into both our service delivery and the solutions we offer to customers.

On cloud and digital, we will strengthen the Kingdom's digital sovereignty - enhancing our core cloud services while expanding private and hybrid cloud capabilities tailored for government and regulated industries.

We will deepen our strategic alliances with hyperscalers - Google Cloud, AWS, and Oracle - to position solutions by stc as the region's leading System Integrator for end-to-end multi-cloud strategy, migration, and managed services.

We will accelerate our GPU as a Service (GPUaaS) roadmap by deploying more advanced NVIDIA-based compute capacity, integrating new AI platforms, and expanding use cases in generative AI, computer vision, and high-performance analytics.

To enhance our network and security capabilities, we will introduce SASE as a complement to our existing SD-WAN portfolio, enabling clients to access a more complete and integrated solution.

Throughout the year, we will continue to onboard new products and partners that strengthen our ecosystem, extend services to additional data center locations, and bring emerging technologies closer to the local market. These initiatives will support our goal of creating a more comprehensive, modern, and customer-centric portfolio that drives long-term value and supports national digital transformation priorities.

Customer experience

Driving satisfaction through 360° customer experience

This year saw Customer Service and Experience at solutions by stc delivering meaningful progress in placing the customer at the center of every engagement. Through the full implementation of our 360° Customer Experience Framework, we were able to listen more deeply, respond more quickly, and deliver more effectively across every stage of the customer journey. By combining real-time feedback with advanced analytics, we identified customer needs early and tailored our responses to enhance satisfaction, trust, and long-term relationships.

Customer success powering strategic progress

Customer Service and Experience played a central role in driving solutions by stc's strategic success during 2025. By embedding a customer-first mindset across all functions, the team ensured that every interaction reflected our values of reliability, responsiveness, and excellence. This focus directly supported our growth strategy, helping to reinforce our position as the Kingdom's leading ICT solutions provider.

A major highlight of the year was achieving over 90% customer satisfaction, a clear reflection of the team's commitment to service excellence. This success was built on our structured, closed-loop feedback process, which allowed us to monitor satisfaction in real time, identify pain points, and take corrective action quickly and effectively. As a result, a significant portion of our customers expressed their willingness to recommend solutions by stc to others, underscoring the trust and loyalty we have earned across the market.

The division's impact extended beyond service metrics. By equipping business units with actionable insights derived from customer feedback, we enabled data-driven decision-making that improved delivery timelines, strengthened operational reliability, and enhanced the overall customer journey. This alignment between customer experience and business performance continues to be a key driver of our competitive advantage.

Embedding customer service in our culture

This year marked the successful rollout of FLAG, a new internal culture initiative designed to empower every employee to take ownership of the customer experience. Through the FLAG campaign, employees across the Organization were encouraged to identify and report any customer concerns directly through Takkya, our internal digital platform. By digitalizing this process, we made it easier for employees to raise issues and for the Customer Experience team to act swiftly in resolving them.

FLAG has fostered a stronger sense of accountability and collaboration Company-wide, ensuring that customer care is everyone's responsibility. This initiative has proven to be a powerful enabler of continuous improvement, reducing response times and enhancing the speed at which issues are resolved.

Complementing this cultural shift, the Customer Experience Index was adopted as a comprehensive tool to evaluate performance across multiple Key Performance Indicators (KPIs). This integrated approach provides a holistic view of the customer journey and offers deeper insight into satisfaction levels compared to 2024.

Future focus

Looking ahead, our focus for 2026 is to evolve from delivering responsive service to creating a predictive, value-driven customer experience. We aim to anticipate customer needs, harness data to personalize solutions, and deepen our role as a strategic partner in our clients' digital transformation journeys.

Our mission is to transform every interaction into an opportunity to understand, support, and elevate the customer experience.

Maher Salem Althiyabi

Chief Strategy Officer



Digital transformation and innovation

Empowering progress through innovation

In 2025, we advanced our role as Saudi Arabia’s leading digital transformation enabler, strengthening the Kingdom’s position in the global digital economy. Guided by Saudi Vision 2030, we continued to integrate cutting-edge technologies, streamline operations, and deliver future-ready solutions that empower our clients to achieve sustainable growth. Innovation remained the foundation of our progress, shaping every aspect of how we operate, serve, and create value.

Driving transformation across systems, data, and operations






2025 was a pivotal year in accelerating digital transformation across the Organization. We implemented major initiatives designed to optimize efficiency, enhance user experience, and create measurable business impact. A key milestone was the replacement of the Bid Management System, which consolidated multiple applications into a single, streamlined platform. The system delivers greater visibility and compliance, simplifies manual processes, and introduces performance-based KPIs that improve

accountability, reduce operational costs, and enhance decision-making across the business.

Building on our leadership in automation, we expanded the implementation of Robotic Process Automation (RPA) with new AI-driven features such as document understanding and adaptive learning. These enhancements enabled us to automate more complex, high-value tasks, achieving cost savings of $\text{ﷲ} 1.5$ million compared with 2024, equivalent to 8.7 full-time employee equivalents saved per month and a 200% return on investment.

Enterprise Technology and Innovation (ETI) Strategy

Our strategy continued to guide execution across 5 strategic domains:

1 	2 	3 	4 	5 
Lean and agile operating model: Build a lean multi-speed tech operating model across people, processes, and governance, flexible for scale and aligned to solutions by stc’s business objectives	Service excellence: Deliver future-ready business-oriented technology services with seamless customer experience for solutions by stc and our customers	Modernized applications: Develop a resilient, future-ready, flexible and scalable applications portfolio to enable solutions by stc’s services and future business integrations	Scalable and secured infrastructure: Ensure a secure and scalable technology landscape through mature infrastructure, governance and resilient security architecture for solutions by stc	Unlocking value from data: Ensure access to high-quality data to enable accelerated and informed analytics-driven and fact-based decisions for solutions by stc and our customers

These pillars together achieved an overall 82% execution rate in 2025, with particularly strong progress in data-driven decision-making, infrastructure security, and service modernization. Through this integrated framework, we have built a multi-speed technology operating model that aligns people, processes, and governance for scale, ensuring flexibility and business continuity.

Innovation is not a project or an outcome – it’s the driving force that transforms how we think, operate, and create value for our stakeholders.

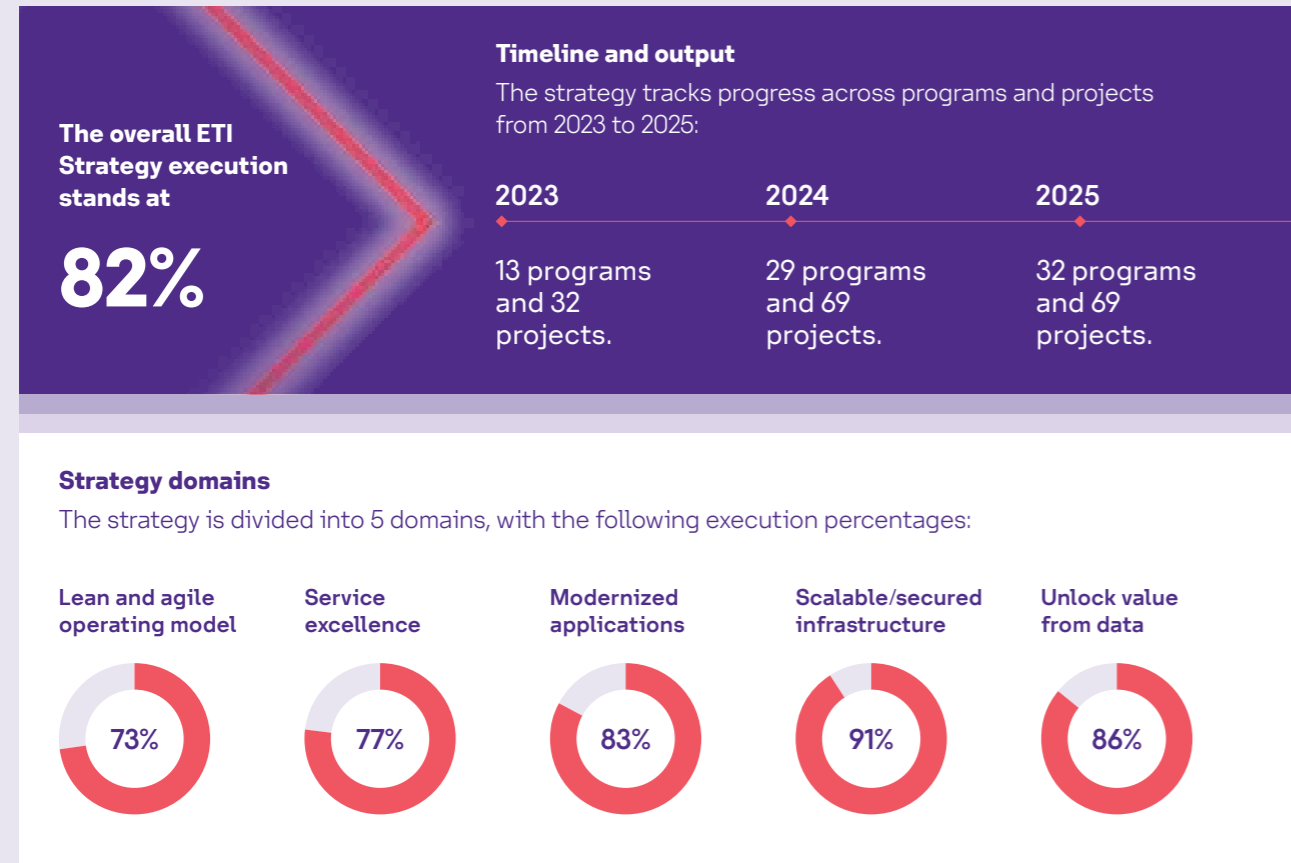
Saleh Abdullah Al Zahrani

Chief Technology Officer



Digital transformation and innovation continued

ETI Strategy execution



We also made significant progress in data and SI through the development of the stc B2B Subsidiaries Data Sharing Framework. This framework establishes a structured and compliant approach for data exchange across the Group, strengthening collaboration and ensuring consistent standards for security, quality, and governance.

Innovation extended to every stakeholder group. For employees, we continued to enhance internal collaboration and digital experience platforms, supporting greater efficiency and engagement. For customers, enhancements to the MySolutions platform improved service accessibility and self-management. For partners, we introduced new digital communication channels that streamline partner relationship management and strengthen coordination. For shareholders and investors, we implemented a new Investor Relations digital solution, improving transparency, speed, and access to information.

Throughout the year, we also took steps to commercialize our Supply Chain Management System, enabling new opportunities for value creation, while advancing the Enterprise Process Architecture

Enhancements initiative, a structured program that modernizes business processes annually to ensure alignment with evolving needs. These achievements underscore our strategy of using technology as a tool to transform how we operate, deliver value, and innovate for our stakeholders.

Future focus

Looking ahead, we will continue to build on the solid foundation established in 2025. Our focus for 2026 will be on deepening the integration of emerging technologies, advancing automation, and developing new digital solutions that further strengthen our competitive edge. We will enhance the capabilities of our data-driven platforms, expand RPA deployment, and continue modernizing applications and infrastructure to ensure scalability and security.

As we move forward, we remain committed to continuous innovation and to investing in the technologies, partnerships, and people that enable us to deliver long-term value. Our ambition is to solidify solutions by stc's position as a digital pioneer shaping the future of technology and business transformation in the Kingdom and beyond.



Public-private partnerships

Transforming the PPP model for greater impact

In 2025, we introduced major structural and strategic changes that positioned our PPP portfolio for long-term value creation and closer alignment with national priorities. The transformation began with a new operating model and organizational structure designed specifically for PPP execution, extending to a broader focus on Business Diversification Investments. This redesign enables greater agility, operational discipline, and scalability in managing large, complex partnerships.

Our strategic direction has evolved beyond being a systems integrator to becoming a holistic digital transformation enabler. We introduced innovative business models that emphasize sustainability, efficiency, and enhanced user experience, qualities that are increasingly sought by public sector partners across the Kingdom. After establishing a strong foothold in Riyadh, we expanded our geographic reach to include new zones such as Jeddah, while laying the foundation for entry into additional cities in the coming years.

This transformation contributed directly to the success of solutions by stc in 2025. The PPP and Business Diversification portfolio introduced new revenue streams and improved financial resilience through shared-risk, shared-reward models. The Sports Boulevard revenue-sharing contract and the launch of Clever-i, our proprietary AI-powered platform, have diversified income sources while strengthening our position in digital mobility. At the same time, our successful delivery of smart city projects reinforced our reputation as the partner of choice for government entities seeking digital transformation leadership.

Enabling smart cities through collaboration

2025 marked an outstanding year of growth and innovation for our PPP portfolio. Through landmark projects such as the Sports Boulevard smart parking contract and the continued expansion of parking operations across Riyadh, we reinforced our role as the Kingdom's leading digital transformation enabler. Our PPP model demonstrates how collaboration between the public and private sectors can accelerate

digital progress, enhance urban mobility, and deliver exceptional citizen experiences. By integrating advanced technology into municipal infrastructure, we are redefining how cities operate and how citizens move within them, turning Vision 2030's ambitions into daily impact.

Expanding achievements in 2025

Through the unmatched scale, efficiency, and impact of our urban mobility solutions, we have improved accessibility, reduced congestion, and enhanced convenience for residents and visitors across Riyadh.

Sports Boulevard

A major milestone in 2025 was the award of the Sports Boulevard Smart Parking Project, a 5-year revenue-sharing contract that highlights our expertise in smart city development. As one of Riyadh's most ambitious urban regeneration initiatives, the Sports Boulevard stretches over 135 kilometers of sports, leisure, and cultural zones.

Our role includes the design, construction, and operation of a fully integrated smart parking system covering more than 1,400 spaces. This system will deliver intelligent parking management powered by digital connectivity, automation, and real-time analytics.

The project demonstrates our ability to combine advanced technology with innovative business models, creating shared value for both the public and private sectors while supporting the Kingdom's broader vision for smarter, more connected cities.

Through our public-private partnerships, we place innovation at the heart of our strategy, driving sustainable development, elevating urban and community living standards, and unlocking maximum economic value to shape a brighter future.

Abdullah Turki Alotaibi

Chief Business Diversification Officer



Riyadh Parking

In parallel, Riyadh Parking achieved a major milestone with the renewal and extension of its agreement term from 10 to 15 years, a clear vote of confidence in our operational performance and technology leadership. The majority of new paid parking spaces became operational during the year, with new streets and areas being activated on a weekly basis.

Innovation drives smarter solutions

Innovation is at the core of our success. Building on our previous projects and accumulated experience, we launched clever-i, a cutting-edge AI-powered platform designed to transform operational efficiency through intelligent compliance monitoring and oversight. The platform automates the detection of violations, monitors occupancy rates in real-time, and optimizes team management, resulting in more than a 30% reduction in operational costs.

The platform connects municipal systems, compliance monitoring teams, and analytical dashboards within a unified digital ecosystem, providing the highest levels of transparency and accelerating decision-making. This innovation has become a benchmark for smart

city operations in the Kingdom, successfully turning complex infrastructure challenges into promising digital opportunities that support Vision 2030 goals for building smarter and more sustainable cities.

Future focus

In 2026, our focus will be on expanding the success of our PPP model to cover new regions and sectors. Beyond our current partnerships, we aim to enter new areas, including cultural, tourism, and entertainment destinations.

We also plan to establish framework agreements with key entities to accelerate project implementation and secure preferred partner status for future urban development initiatives. We will adopt initiatives that ensure strategic alignment, data-driven decision-making, and operational excellence across all PPP programs.

Through these efforts, 2026 will mark a year of strategic expansion, organizational maturity, and deeper integration into the Kingdom's smart city ecosystem, reinforcing solutions by stc as a trusted partner in national transformation.

Subsidiaries and associates

upsource by solutions



Country of incorporation:
Kingdom of Saudi Arabia

solutions by stc shareholding:



About upsource by solutions

upsource is Saudi Arabia's leading BPO champion, operating at national scale across government and enterprise sectors. The business has evolved from a Customer Lifecycle Management provider into a fully diversified BPO platform serving mission critical functions. As a wholly owned subsidiary, upsource directly advances solutions by stc's ambition to expand its BPO footprint, leveraging the wider stc Group ecosystem to unlock synergies in digital operations, shared services, and customer experience modernization. Its focus on scalable delivery, AI enabled services, and offshoring reflects solutions by stc's long-term shift toward higher margin, technology powered operating models.

Strategic focus

upsource's strategic direction is anchored in the SCALE Framework: Strengthen and adapt core offerings, Capture new services and target markets, Activate a high performing commercial engine, Lead as a lean and fit for growth organization, and Enable superior outcomes for all stakeholders. The strategy centers on deepening core BPO capabilities while expanding into higher margin emerging services. This positions upsource to achieve scalable growth, accelerate digital and AI enablement, improve margins, and amplify national impact.

2025 highlights and achievements

In 2025, upsource secured and expanded major government programs with HRSD, SDAIA, SPL, NWC, RER, RCA, STA, MoS, SAR, MoD, MoC, NHC, NEOM, SAMA, EWC, and others. The Company also completed a full rebranding, expanded its national and international hub footprint, and advanced its SHIFT digitization program, alongside other performance and capability milestones.

2026 outlook

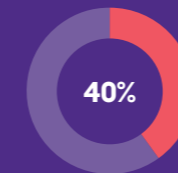
In the year ahead, upsource will prioritize scaling high margin business lines and accelerating automation and AI adoption to enhance delivery efficiency, elevate service quality, and deepen its contribution to national digital transformation.

Devoteam



Country of incorporation:
United Arab Emirates

solutions by stc shareholding:



About Devoteam Middle East

Devoteam Middle East is a regional leader in AI-driven technology consulting, supporting public and private sector clients as they accelerate digital transformation agendas. The firm specializes in cloud modernization, cybersecurity, data and analytics, sustainability, and digital and AI transformation, helping organizations define forward-looking strategies, implement advanced technologies, and achieve measurable impact.

With a growing base of experts across Saudi Arabia, the UAE, Jordan, and other regional markets, Devoteam delivers high-value consulting services that enable clients to innovate, scale, and operate with greater intelligence and resilience.

Aligned with solutions by stc, Devoteam provides the strategic advisory, design, and AI-led foresight that complement solutions by stc's cloud, infrastructure, and managed services capabilities. Together, this creates a fully integrated, end-to-end value proposition for customers seeking transformation from strategy through execution.

As part of Devoteam Group, Devoteam Middle East benefits from access to more than 10,000 specialists across 20 subsidiaries in Europe, allowing it to bring global expertise, proven methodologies, and scalable capabilities to the Saudi market.

Strategic focus

Devoteam's strategic focus is to lead AI-driven digital transformation by providing front-end strategy, advisory, and specialized consulting across cloud, cybersecurity, data and analytics, sustainability, and digital and AI transformation. A key priority is strengthening alignment with solutions by stc to deliver end-to-end value, combining AI strategy and design with scalable cloud, infrastructure, and managed services execution.

2025 highlights and achievements

In 2025, Devoteam strengthened its position as a trusted AI and digital transformation partner in the region by expanding its portfolio of AI-centric and cloud-led engagements, particularly in Saudi Arabia. The year marked deeper collaboration with solutions by stc on joint initiatives, increased demand for front-end AI and digital advisory services, and continued investment in talent and capabilities to support complex, large-scale transformation programs across key sectors.

2026 outlook

In 2026, Devoteam will continue advancing its position as one of the region's leading digital and AI consulting partners. Its priorities include expanding advanced AI advisory and implementation services, scaling its cloud and cybersecurity offerings, and deepening strategic alignment with solutions by stc to deliver seamless, end-to-end transformation for clients. Devoteam will also intensify investment in talent development, ecosystem partnerships, and innovation capabilities to support national priorities, elevate customer outcomes, and accelerate the Kingdom's digital ambitions under Vision 2030.

Service Delivery Partner of the Year
by KSA Award from Google Cloud



Subsidiaries and associates continued

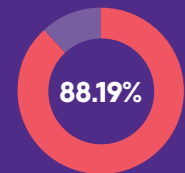
Giza Systems



Country of incorporation:

Egypt

solutions by stc shareholding:



About Giza Systems

Founded in 1974 as Egypt's first national IT company, Giza Systems (GS) has evolved from a local pioneer into one of the region's leading digital transformation enabler and systems integrator in the Middle East and Africa; by delivering integrated technology solutions that help clients modernize operations, accelerate transformation, and respond to changing industry demands.

Giza Systems specializes in complex systems for asset-intensive sectors including telecommunications, utilities, oil and gas, smart cities, and government services.

With a team of more than 3,000 professionals, Giza Systems serves an expanding client base in over 25 countries, operating from strategic hubs in Cairo, Riyadh, Dubai, Doha, Nairobi, Dar es Salaam, and Kampala.

Strategic focus

Giza Systems is executing the GO-FW Strategy, a Company-wide transformation designed to accelerate growth, improve operational discipline, strengthen financial performance, and build a future-ready global workforce. The strategy is anchored on 4 pillars:

- ▶ **Growth** – Decentralizing into agile market units, modernizing the portfolio, and strengthening strategic account management.
- ▶ **Operational excellence** – Building a Global Delivery Center, enhancing offshore capabilities, and driving KPI-led, build/buy/partner delivery governance.
- ▶ **Financial stability** – Reducing overhead and days sales outstanding (DSO), maximizing asset utilization, and enabling accelerated growth.
- ▶ **Work experience** – Equipping talent with future-ready skills, enhancing engagement, and evolving the Giza Systems global brand.



2025 highlights and achievements

Strategic growth and innovation

1

2025 marked a period of significant strategic growth and technological innovation across the GS Group.

The Group secured landmark projects in key markets, including Diriyah's Smart City Initiative, the South El Kayan Substation Expansion Project with EETC, the KAUST Coral Restoration Initiative, the world's largest reef restoration program in the Kingdom of Saudi Arabia, and the successful delivery of its in-house manufactured Chemical Injection Skid Solution.

To support this growth momentum, the Group expanded with its new Giza Arabia offices across the Kingdom of Saudi Arabia. Additionally, it inaugurated the GS Group Global Delivery Center (GDC) in Egypt, a major step in scaling its offshore capabilities. Building on this launch, GS Group and the Information Technology Industry Development Agency (ITIDA) signed a landmark MoU at the Global Offshoring Summit to significantly scale GDC activities and reinforce Egypt's position as a global offshoring hub, driving ICT services exports and contributing to foreign currency inflows. Further underscoring this commitment, the GS Group CEO was an invited participant in the Presidential Round Table held at the Summit, highlighting the Group's role as a key digital transformation enabler shaping the nation's digital future.

Innovation remains at the core of the Group, with its successful participation in major tech conferences like LEAP and GITEX (under stc and solutions by stc), furthermore, the launch of new in-house products like the Forklift Safety Solution and ARIA Technologies' Welding Automation Solution, in addition to international recognition for research contributions in AI and data technologies, including the "FedForecaster", "ML-EvalPro", and the "SmartCal" papers.

ESG and community impact

2

The Giza Systems Group achieved an AA ESG rating for the second consecutive year and released its second Sustainability (GRI) Report. Through the Giza Systems Foundation and key partnerships, the Group focused on women's empowerment, inclusive skills development, and support for people with disabilities.

Furthermore, the foundation celebrated the kick-off of the DELL Technologies Solar Community Hub in Fayoum, demonstrating the Group's commitment to social and environmental sustainability, which was also mirrored internally with the launch of a number of environmental and CSR initiatives such as the new plastic bottle recycling initiative, and the "medicine for all" initiative.



Subsidiaries and associates continued

About Giza Systems continued

Ecosystem expansion and industry recognition

3

GS Group's excellence was globally recognized in 2025, supported by strategic ecosystem expansion and strong internal talent development.

Giza Systems renewed its ISO 9001:2015 certification. Giza Arabia achieved the Contractor Prequalification for Overhead Transmission Projects from Saudi Electricity Company. The Group also secured crucial distribution agreements with partners like Nutanix and VMware by Broadcom, and new solution partnerships such as ARIA Technologies becoming a Certified Pilz System Partner.

GS Group also cemented its thought leadership position, collaborating with PwC Middle East on the "ERM: Navigating Invisible Risk" paper and signing an MoU with Egypt Ventures to foster innovation in healthcare and fintech. Crucially, the Group invested in its people, celebrating the graduation of the 2024 Headway Program and launching the second round of its development initiative, BridgeZ.

2026 outlook

In 2026, Giza Systems will fully activate its new operating model and complete the transition from traditional lines of business to a vertical, industry-oriented structure that enhances customer relevance and delivery focus. The year will prioritize achieving operational silence through proactive issue resolution and service excellence, driven by stronger governance and financial discipline, and advancing our growth agenda through targeted strategic acquisitions. Collectively, these priorities position Giza Systems for a scalable, resilient, and globally competitive future mode of operations.

Awards and recognition

The Group and its subsidiaries achieved numerous prestigious industry recognitions in 2025:

Groundbreaking emerging tech-driven safety solution

by Gold IPMA Innovation Management Award 2025



Service Provider Partner of the Year

by Cisco



Strategic AI Deal Excellence Award

by Dell Technologies



MEA Partner Excellence Award 2025

by Kidde-Fenwal

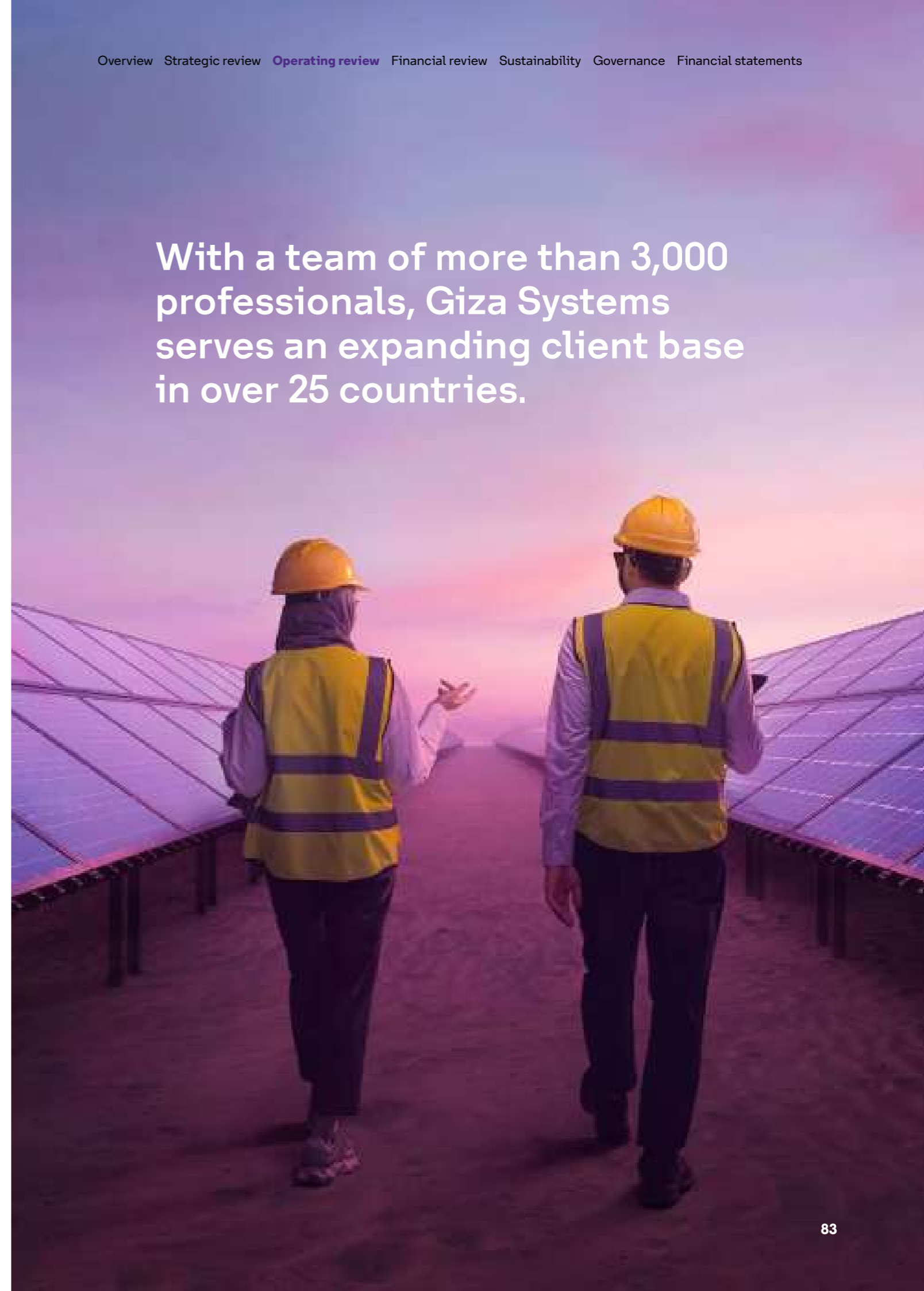


AVEVA Solutions Integration

by Schneider Electric



Multiple regional partner awards across Saudi Arabia, Egypt, and Africa



With a team of more than 3,000 professionals, Giza Systems serves an expanding client base in over 25 countries.

Financial review



solutions by stc continues to deliver resilient financial results through disciplined execution, reflecting sustained demand and digital expansion.

CFO's review

2025 reflects a year where disciplined financial execution, resilient demand, and intelligent investment converged to strengthen performance and reinforce our long-term value creation agenda. By pairing operational rigor with strategic ambition, the Group continued shaping intelligent possibilities while delivering sustainable financial outcomes.

As digital transformation continued to accelerate across the Kingdom and the wider region, 2025 marked another year of solid financial performance for the Group. Demand for advanced ICT, cloud, managed services, business process outsourcing, and AI-enabled solutions remained strong across government and enterprise customers, reinforcing the Group's position as a trusted national digital partner. Against this backdrop, the Group delivered growth supported by disciplined execution, portfolio diversification, and a continued focus on scalable, high-value solutions.

For the year ended 2025, revenue reached ₪ 12,730 million, reflecting year-on-year growth driven primarily by IT Managed services. This growth was achieved while maintaining balance across customer segments and service lines, underscoring the resilience of the Group's diversified business model.

EBITDA for the year stood at ₪ 1,987 million, with an EBITDA margin of approximately 15.6 percent, reflecting the benefits of scale, stronger commercial execution, and ongoing cost discipline. Net profit reached ₪ 1,503 million, a decrease of 5.9% year on year, primarily due to non-recurring items in the prior year, including gains from the sale of a non-core business and the closure of a prior year zakat position resulting in a one-off reversal. Adjusted for these items, net profit would have reflected year on year growth. These results highlight the Group's ability to generate resilient returns while maintaining operational and financial discipline.



another year of solid financial performance

Revenue

₪ 12,730
million
↑ 5.5% YoY

EBITDA margin (%)

15.6%
↓ 53bps YoY

Free cash flow

₪ (364)
million

Gross profit

₪ 2,678
million
↓ 3.8% YoY

Net profit

(attributable to equity holders of the parent company)

₪ 1,503
million
↓ 5.9% YoY

Net cash

₪ 1,337
million
↓ 54.9% YoY

Gross profit margin (%)

21.0%
↓ 203bps YoY

Net profit margin (%)

11.8%
↓ 143bps YoY

ROIC

31.5%
↓ 285bps YoY

EBITDA

₪ 1,987
million
↑ 2.0% YoY

Capex

₪ 191
million
↓ 25.1% YoY

ROAE

36.2%
↓ 723bps YoY



For the year ended 2025, revenue reached **₪ 12,730 million**, reflecting year-on-year growth driven primarily by IT managed services.

Abdulrahman Hamad Alrubaia

Chief Financial Officer

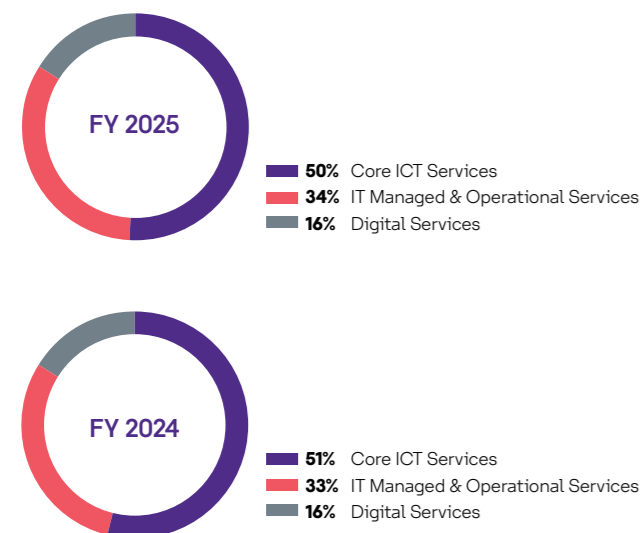
CFO's review continued

Revenue mix and business drivers

Revenue performance in 2025 was underpinned by continued momentum across the Group's core business lines. Core ICT services remained a significant contributor, supported by system integration and connectivity projects across public and private sector clients. IT managed and operational services continued to expand their share of revenue, reflecting increased outsourcing demand, long-term service contracts, and the growing role of managed platforms in customer operating models. Digital services, including cloud, cybersecurity, and digital transformation, maintained their upward trajectory, benefiting from increased adoption of cloud-native architectures and AI-enabled solutions.

The Group's customer mix remained well balanced. Government sector revenue continued to provide stability and scale, reflecting the Group's role in enabling national digital initiatives and critical infrastructure programs. At the same time, private sector revenue growth reflected increasing enterprise demand for scalable, secure, and outcome-driven digital solutions. Revenue from stc Group also remained an important topline contributor, reinforcing the strength of ecosystem collaboration and integrated value creation.

Revenue composition (by business segment)



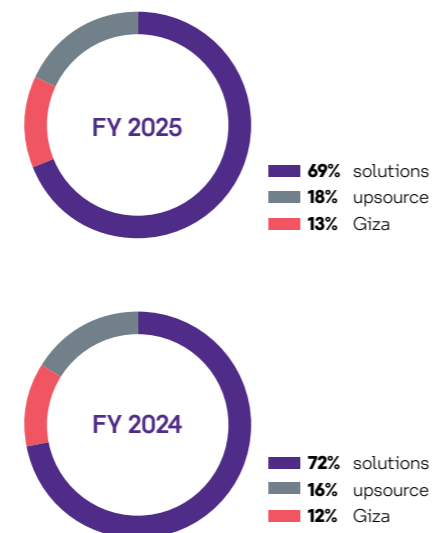
Cost efficiency and operational discipline

Cost efficiency remained a central pillar of financial performance in 2025. The Group continued to apply a structured, data-driven approach to managing costs while protecting service quality and delivery excellence. Clear budgeting frameworks, robust financial oversight, and continuous monitoring enabled management to identify efficiencies across operations and reinvest savings into strategic growth areas.

Operating expenses were optimized through process simplification, automation, and improved resource allocation. Increased use of digital tools and analytics enhanced visibility into cost drivers, supported faster decision-making, and reduced administrative complexity. These initiatives strengthened margin resilience and supported profitability, even as the Group continued to scale its operations and invest in new technologies.

This disciplined approach to cost efficiency did not focus solely on reduction, but on value optimization. By aligning spending with strategic priorities and focusing on productivity, the Group enhanced its ability to deliver complex programs efficiently, improve return on invested capital, and sustain competitive advantage in a rapidly evolving market.

Revenue composition (by entity)



Cash flow, capital allocation, and financial position

The Group continued to benefit from an asset-light business model and disciplined capital allocation in 2025. Capital expenditure remained focused on high-return investments that support growth in cloud infrastructure, digital platforms, and service scalability, with capex intensity maintained within targeted levels.

Operating cash flow for the year amounted to ₪ -101 million, reflecting the working capital impact in 2025, driven by temporary timing differences around year-end cut-off with higher not due receivables, contract assets due to accelerated project delivery getting

ahead of billing and project inventories. The financial position remained robust, with a strong net cash position supporting financial flexibility and resilience. This strength enables the Group to pursue selective acquisitions, strategic partnerships, and public-private partnership opportunities that align with its long-term growth strategy.

Capital allocation decisions continued to balance reinvestment in the business with shareholder value creation. High-return organic investments and long-term partnership models remained central to the Group's approach, ensuring that growth initiatives are both strategic and financially disciplined.

Financial highlights

Net profit

(attributable to equity holders of the parent company)

₪ **1,503**

million

2024: ₪ 1,597 million

Gross profit

₪ **2,678**

million

2024: ₪ 2,783 million

EBITDA

₪ **1,987**

million

2024: ₪ 1,948 million

Total assets

₪ **12,917**

million

2024: ₪ 12,042 million

Shareholder's equity

₪ **4,287**

million

2024: ₪ 4,008 million

Real GDP growth (%)



Source: MoF

KSA IT growth (%)



Source: IDC

CFO's review continued

The Group's income statement (5-year summary)

	2025 (S 000)	2024 (S 000)	2023 (S 000)	2022 (S 000)	2021 (S 000)
Revenue	12,730,189	12,063,897	11,040,493	8,805,091	7,208,337
Cost of revenue	(10,052,276)	(9,280,923)	(8,442,875)	(6,793,845)	(5,500,370)
Gross profit	2,677,913	2,782,974	2,597,618	2,011,246	1,707,967
Total operating expenses	(1,036,482)	(1,122,419)	(1,210,729)	(851,015)	(808,863)
Operating profit	1,641,431	1,660,555	1,386,889	1,160,231	899,104
Other income and (expenses)	3,330	(18,781)	17,837	11,268	4,921
Zakat and income tax	(132,347)	(38,958)	(209,581)	(117,786)	(71,107)
*Net profit	1,502,536	1,596,633	1,192,148	1,052,869	832,919
Gross profit margin	21.0%	23.1%	23.5%	22.8%	23.7%
Net profit margin	11.8%	13.2%	10.8%	12%	11.6%

* Net profit attributable to equity holders of the parent company

The Group's revenue by business segment

	2025 (S 000)	2024 (S 000)	Growth YoY	Share of total revenue
Core ICT services	6,388,722	6,187,720	3.2%	50.2%
IT managed and operational services	4,358,600	3,947,622	10.4%	34.2%
Digital services	1,982,867	1,928,555	2.8%	15.6%

The Group's revenue by customer segment

	2025 (S 000)	2024 (S 000)	Growth YoY	Share of total revenue
stc and its subsidiaries	4,197,473	4,301,321	(24%)	33.0%
B2B	8,532,716	7,762,576	99%	67.0%

Geographic analysis of the Group's revenue

	2025 (S 000)	2024 (S 000)	Growth YoY	Share of total revenue
KSA	11,921,397	11,384,330	4.7%	93.6%
GCC	19,413	13,709	41.6%	0.2%
WECA (West, East, and Central Africa)	786,526	659,894	19.2%	6.2%
Europe	2,853	5,964	(52.2%)	0.02%

The Group's assets, liabilities, and equity (5-year summary)

	2025 (S 000)	2024 (S 000)	2023 (S 000)	2022 (S 000)	2021 (S 000)
Total current assets	10,744,719	10,358,690	10,296,333	9,374,468	6,446,295
Total non-current assets	2,172,227	1,683,992	1,219,911	950,616	726,453
Total assets	12,916,946	12,042,682	11,516,244	10,325,084	7,172,748
Total current liabilities	7,020,423	6,682,014	7,195,438	6,706,846	4,634,258
Total non-current liabilities	1,569,373	1,327,574	968,252	778,682	267,922
Total liabilities	8,589,796	8,009,588	8,163,690	7,485,528	4,902,180
*Total equity	4,287,340	4,007,592	3,323,963	2,809,880	2,270,568
Total liabilities and equity	12,916,946	12,042,682	11,516,244	10,325,084	7,172,748

*After Deducting the Minority Equity

Material differences in the operational results compared to the previous year's results

	2025 (S 000)	2024 (S 000)	Changes (+) (-)	Change rate
Sales/ revenues	12,730,189	12,063,897	666,292	5.5%
Sales/ revenues costs	(10,052,276)	(9,280,923)	771,353	8.3%
Total profit	2,677,913	2,782,974	(105,061)	(3.8%)
Other operational revenues	118,030	120,214	(2,184)	(1.8%)
Other operational expenses	(114,700)	(138,995)	(24,295)	(17.5%)
Operational profit (loss)	1,641,431	1,660,555	(19,124)	(1.2%)

Partnerships and long-term value creation

Partnerships and associates continued to play a meaningful role in strengthening the Group's financial and strategic position. Public-private partnership models delivered recurring revenue streams and long-term visibility, supporting predictable cash flows and sustainable returns. Strategic alliances expanded solution capabilities, accelerated market entry, and reduced time to value for customers.

Investments in consulting, digital platforms, and ecosystem partnerships enhanced the Group's one-stop-shop proposition, allowing it to capture a greater share of customer value while maintaining margin discipline. These initiatives reinforced the Group's role as a national digital enabler and strengthened its ability to deliver integrated, end-to-end solutions at scale.

Outlook and financial priorities

Looking ahead, the Group enters 2026 with a strong financial foundation and clear priorities. The Group remains focused on sustaining profitable growth by deepening its

presence in high-growth digital segments, expanding AI-enabled services, and strengthening cloud and managed service capabilities. Continued emphasis will be placed on operational excellence, cost efficiency, and disciplined capital deployment to ensure resilience across market cycles.

Artificial intelligence and advanced analytics will increasingly shape both customer solutions and internal operations, enhancing productivity, improving decision quality, and supporting margin expansion. At the same time, ongoing investment in people, platforms, and partnerships will ensure the Group remains well positioned to support Saudi Vision 2030 and the Kingdom's evolving digital economy.

With a resilient financial position, diversified revenue base, and a disciplined approach to growth, the Group is well equipped to navigate uncertainty, capture emerging opportunities, and deliver long-term value for shareholders. Financial stewardship will remain focused on aligning performance with purpose, ensuring that growth, efficiency, and innovation continue to reinforce one another as the Group shapes intelligent possibilities.

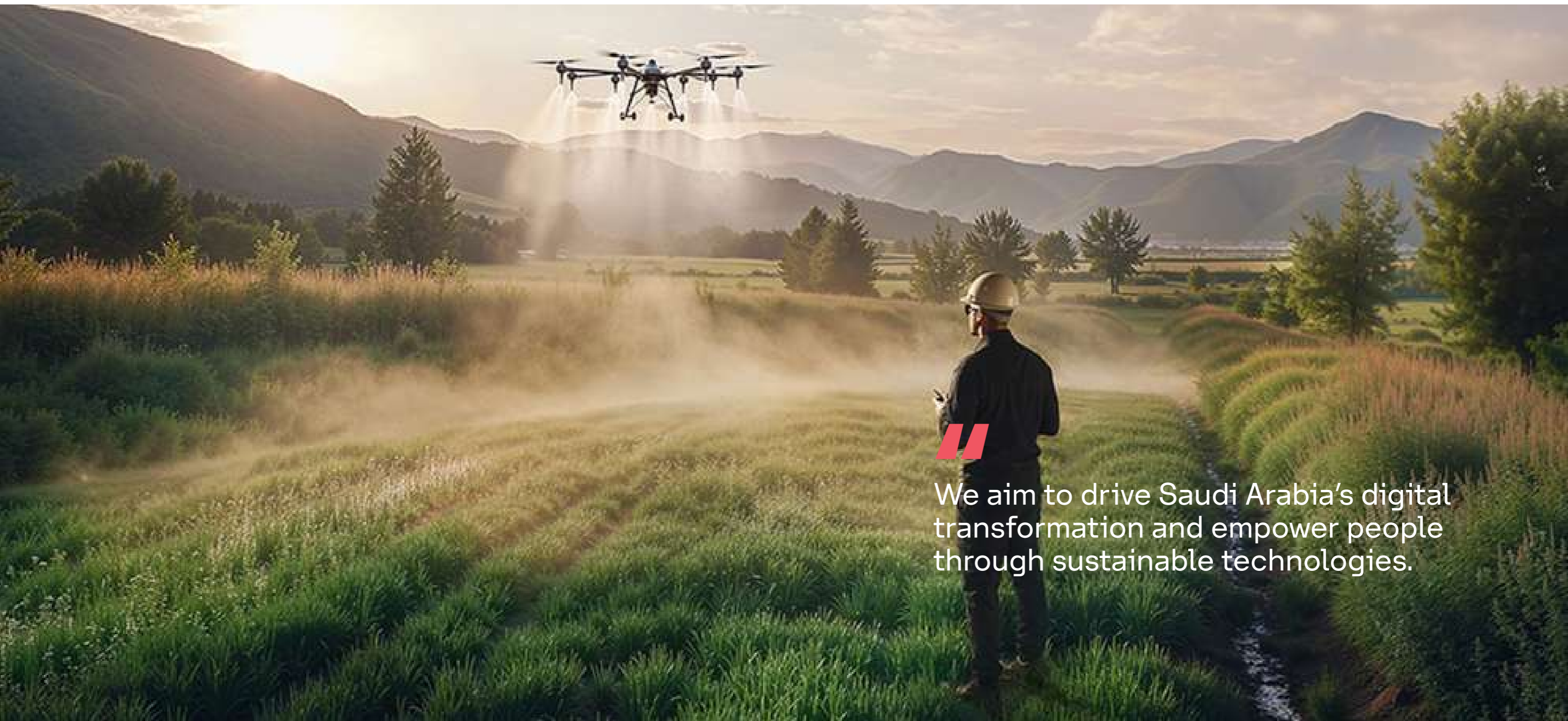
Sustainability review

Sustainability

94

Our people

106



We aim to drive Saudi Arabia's digital transformation and empower people through sustainable technologies.

Sustainability

At solutions by stc, sustainability lies at the heart of our business practices, our corporate strategy, operations, and value chain. By mainstreaming leading sustainability practices across all areas of our work, we reinforce our commitment to driving Saudi Arabia’s digital transformation and empowering customers, and communities to thrive through innovative and sustainable technologies.

Our commitment to sustainability

solutions by stc is committed to leading IT services toward a more resilient and responsible future. Sustainability is more than a commitment; it represents our enduring responsibility to people, communities, and prosperity. By incorporating ESG considerations in every aspect of our business, we deliver measurable value to customers, employees, partners, and society, while protecting resources for generations to come.



Our sustainability vision

To drive Saudi Arabia’s digital transformation and empower people through sustainable technologies.



Sustainability is embedded in the way we operate, elevating operational excellence, guiding responsible decision-making, and enabling long-term value creation for our people, partners, and the customers we serve. Building on this commitment, we have joined the UNGC, marking a pivotal step in strengthening our Human Rights Policy and aligning our practices with both international standards and national targets.

Eng. Omer Abdullah Alnomany

Chief Executive Officer



Sustainability awards and recognitions in 2025

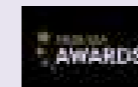


Corporate Social Responsibility Award – (second consecutive year)

by Ministry of Human Resources and Social Development

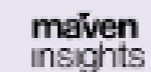
MOHRSD Success Partner

by Ministry of Human Resources and Social Development



Best Employee Wellbeing Program

by HR Summit & Expo Informa (HRSE)



Digital Transformation Excellence Award

by Maven Insights



Best Employee Benefits and Wellbeing Strategy of the Year in Private, Public, and Government Sector

by GCC GOV HR Awards 2025



Sustainability continued

The material topics that are material to our business and stakeholders

In 2022, solutions by stc conducted our first materiality assessment, marking a key milestone in establishing a structured approach to sustainability. The assessment identified and prioritized the sustainability topics most significant to our business operations and stakeholders. Aligned with LEAP 2.0 objectives and guided by global frameworks such as the GRI Standards, 15 material topics were defined to serve as the foundation of our sustainability strategy, GROW.

For more details, please refer to our [2025 Sustainability Report on our Website](#).

Our material topics

Highly important	The top 6 issues have been identified as highly material, indicating their crucial role in the organization's operations and strategic planning. They serve as the cornerstone of the business structure and encapsulate commitment to ethical governance, robust data protection, focused talent management, the drive for innovation in the digital realm, and ensuring optimal customer experience.	G 1. Corporate governance and transparency
		G 2. Business ethics and compliance
		G 3. Data privacy and cyber security
		S 4. Talent retention, development, and succession planning
		G 5. Digital innovation, transformation, and ethical technology use
		G 6. Customer satisfaction and experience enhancement
Very important	The subsequent 7 topics reflect the dedication to building an inclusive corporate culture, prioritizing employee wellness, managing energy efficiency, managing partnerships, ensuring nationalization, engaging in social contributions, and fostering strategic alliances. While not as immediately fundamental as the top 6, these aspects still play a critical role in reinforcing solutions by stc's reputation, resilience, and relational networks, influencing the long-term success and growth.	S 7. Diversity, inclusion, and equal opportunity
		S 8. Employee engagement, wellbeing, and safety
		E 9. Energy management and climate action
		S 10. Social investment and community development
		G 11. Partnerships and collaborations
Important	The remaining 2 topics are still material and important to solutions by stc's comprehensive sustainability approach. They illustrate awareness and responsiveness to sustainable procurement and responsible resource management that are instrumental to the broader sustainability approach.	S 12. Nationalization
		S 13. Human rights protection and labor standards
		G 14. Sustainable procurement
		E 15. Responsible resource management

◆ Environmental ◆ Social ◆ Governance

15 material topics were defined to serve as the foundation of our sustainability strategy, GROW.



Sustainability continued

Strategic alignment framework

GROW

Our sustainability strategy

Building on the results of our materiality assessment, our GROW Sustainability Strategy is closely aligned with the corporate LEAP 2.0 objectives and key national and international sustainability agendas. The pillars of GROW form a central part of our operational framework and are consistently reflected in our corporate position statements, demonstrating their strategic importance.

Our GROW Strategy continues to guide our sustainability initiatives, ensuring that responsible practices remain embedded across every level of the Organization. It will sustain its role in driving measurable impact. Through ongoing implementation, the strategy will remain central to advancing sustainable solutions, empowering people, and supporting Saudi Arabia's broader digital transformation goals.



Strategic alignment framework	Focus area	UNSDGs	stc strategic alignment	LEAP alignment L E A P	CST alignment (https://www.cst.gov.sa/en)	National strategy for data and AI alignment
	G Greening by Sustainable Technologies and Processes	 	<ul style="list-style-type: none"> Caring for the environment Advancing innovative digital opportunities 	 	<ul style="list-style-type: none"> Enabling Saudi Arabia digital transformation Promote investment and competition 	<ul style="list-style-type: none"> DIMENSION 6: Ecosystem
	R Revitalizing Workforce Relations and Digital Social Empowerment	 	<ul style="list-style-type: none"> Empowering people Expanding access to technology and connectivity Enriching lives and experiences 	 	<ul style="list-style-type: none"> Achieve regulatory excellence Enabling Saudi Arabia's digital transformation Protecting consumers 	<ul style="list-style-type: none"> DIMENSION 2: Skills DIMENSION 5: Research and Innovation DIMENSION 6: Ecosystem
	O Optimizing Governance for Ethical Excellence	 	<ul style="list-style-type: none"> Doing business with integrity Enhancing economic impact Advancing innovative digital opportunities 	 	<ul style="list-style-type: none"> Protecting consumers Promote investment and competition Enabling Saudi Arabia's digital transformation 	<ul style="list-style-type: none"> DIMENSION 3: Policies and Regulations DIMENSION 4: Investment DIMENSION 6: Ecosystem
	W Widening Impactful Partnerships and Sustainable Procurement		<ul style="list-style-type: none"> Doing business with integrity Empowering people Enhancing economic impacts 	 	<ul style="list-style-type: none"> Achieve regulatory excellence Promote investment and competition 	<ul style="list-style-type: none"> DIMENSION 1: Ambition DIMENSION 6: Ecosystem

Sustainability continued

Comprehensive position statements have been developed to underscore the pivotal role of the GROW Strategy pillars within solutions by stc's operational ecosystem. These statements, illustrated below, direct our activities and reinforce the integration of sustainability into every aspect of the business. Through this structured approach, the GROW pillars not only guide internal processes within the ecosystem but also support the Company's broader vision of leading the IT services industry toward sustainable growth and creating meaningful value for customers, communities, and future generations.

Position statement matrix

Position statement	G	R	O	W
Clean-Tech Innovation and Digital Transformation	◆	◆		
Corporate Governance and Transparency			◆	
Diversity, Equity, and Inclusion		◆		
Employee Development, Wellbeing and Safety		◆		
Energy Efficiency	◆			
Environmental Management	◆			
Supply Chain and Responsible Sourcing				◆
Data Privacy and Cyber Security			◆	
Customer Satisfaction			◆	

At solutions by stc, sustainability is at the heart of everything we do. Our comprehensive [Sustainability Policy](#) reflects an unwavering commitment to environmental stewardship, ethical governance, and social responsibility, embedding these principles across every aspect of our business.

Aligned with this vision, our [Social Impact Policy](#) provides a clear and actionable framework to drive initiatives that generate meaningful societal value. By focusing on areas where we can make the greatest difference, we align our efforts with Vision 2030 and the UN SDGs, reinforcing our role as a catalyst for sustainable development, innovation, and positive transformation across the Kingdom of Saudi Arabia.

We are pleased to announce the publication of our [Human Rights Policy](#), reaffirming our commitment to upholding and promoting human rights across all our operations. As a proud member of the UNGC, this policy reflects our alignment with international principles and our dedication to fostering a safe, respectful, and inclusive environment for all stakeholders. This milestone further strengthens our broader sustainability and governance efforts.

Alignment with national priorities and UN SDGs

The UNGC is the world's largest voluntary corporate sustainability initiative, based on CEO-level commitments to adopt universal sustainability principles and contribute to the achievement of the 17 UN SDGs.

solutions by stc proudly became a signatory to the UNGC in February 2024, reaffirming our dedication to responsible business practices and aligning our operations with the Ten Principles covering human rights, labor, environment, and anti-corruption. Through this commitment, we actively integrate sustainability into our strategy, culture, and daily operations, and contribute to multiple UN SDGs across our ESG initiatives.

To ensure transparency and accountability, we report our progress annually through the UNGC Communication on Progress (CoP), demonstrating our continuous efforts to create long-term value and drive positive impact in line with global sustainability standards.

2025 highlights and achievements



With the world increasingly prioritizing sustainable and responsible practices, the deployment of targeted sustainability initiatives is essential to achieving long-term positive outcomes for the environment, society, and the economy.

solutions by stc demonstrates this commitment through cutting-edge innovations in digital infrastructure, smart cities, and natural resource management. Through operational integration, digital optimization, emission reduction, and proactive community engagement, we advance toward a sustainable and transformative future.



Sustainability continued

Combating climate change



Focus Area	UNSDGs	Strategic Objectives
 <p>Greening by Sustainable Technologies and Processes</p>		<ul style="list-style-type: none"> ▶ Commit to net-zero emissions and a circular economy, and reduce operational impact on GHG, energy and water ▶ Diversify and Innovate within Green Cloud Markets, digital solutions for sustainability excellence

Through our sustainability strategy, “Clean-tech” was identified as a central focus of “Greening by Sustainable Technologies and Processes”. Beyond mitigating our environmental footprint, we collaborate closely with customers to enhance their sustainability outcomes via digital offerings.

Cutting-edge projects in digital infrastructure, environmental monitoring, crisis management, and smart city solutions reflect our commitment to delivering innovative, resilient, and sustainable outcomes in line with Saudi Arabia’s vision for technological and sustainable leadership.



Delivering social impact through digital empowerment

Focus Area	UNSDGs	Strategic Objectives
 <p>Revitalizing Workforce Relations and Digital Social Empowerment</p>		<ul style="list-style-type: none"> ▶ Empower a diverse, driven, and high-performing workforce ▶ Enable social empowerment through digital technology

Our sustainability strategy underscores the vital role of employees and communities in fostering prosperity across the Kingdom. solutions by stc is dedicated to building employee capabilities as a fundamental driver of strategic success. Employees are encouraged to participate in tailored training and development initiatives that support both the Company’s operational priorities and their own professional growth.

By providing access to technical knowledge, academic resources, and premier development programs, including the Specialist Development Program (SDP), Talent Incubation Program (TIP), and scholarship opportunities, we strengthen employees’ performance while simultaneously advancing national competencies and contributing to the Kingdom’s broader vision for sustainable development.

Fostering a sustainability-focused culture

To strengthen sustainability awareness and embed global ESG best practices across the Organization, we launched a structured learning series in collaboration with the UNGC Academy in 2025. The series began by enhancing employees’ understanding of the SDGs and the Ten Principles of the UNGC, enabling them to integrate these global priorities into business strategies and day-to-day operations.

Building on this foundation, the series introduced topics around innovation and sustainability leadership, emphasizing the importance of youth-led initiatives and inclusive decision-making in driving meaningful progress toward the SDGs. It also inspired employees to think creatively and adopt forward-looking approaches to sustainability challenges.

The journey continued with developing leadership capabilities by demonstrating how organizations can lead on the Global Goals through key qualities such as ambition, collaboration, accountability, consistency, and intentionality ensuring that sustainability is embedded at both strategic and operational levels.

Through this integrated learning experience, we are cultivating a sustainability-driven culture and empowering employees to actively contribute to global ESG ambitions and long-term impact.

Driving social impact on Arab Orphan Day

At solutions by stc, we believe in the importance of recognizing and supporting orphans as valued members of our society. Our participation in Arab Orphan Day reflects our deep commitment to raising awareness of their rights, affirming their place in the community, and inspiring collective responsibility toward their well-being.

In collaboration with the Ministry of Human Resources and Social Development, we celebrated this meaningful occasion by offering appreciation gifts as a gesture of care and recognition. Through this initiative, we aim to empower orphans in alignment with the National Transformation Program and Saudi Vision 2030, both of which emphasize social development and equal opportunity for all.

By taking part in this national occasion, solutions by stc continues to make a positive and lasting social impact, supporting the next generation and reinforcing our commitment to corporate social responsibility.

Sustainability continued

Social Responsibility Day – Volunteering to support and visit the elderly

In line with the official Saudi Social Responsibility Day on 23 March, approved by His Excellency the Minister of Human Resources and Social Development, solutions by stc activated this day through a meaningful volunteering initiative that reflects our commitment to community care and social responsibility.

We organized a visit to elderly care homes, where 14 employees volunteered to spend quality time with the elderly residents. During the visit, our team shared a Ramadan iftar meal, took part in interactive activities and simple competitions, and offered appreciation gifts to bring joy. This initiative reached more than 20 elderly men and women, creating a warm and supportive atmosphere.

By involving our employees in community service and supporting the well-being of senior citizens, this initiative supports UN SDG 3 (Good Health and Well-being) and SDG 10 (Reduced Inequalities), turning social responsibility into real impact and continuing to strengthen our role in serving the community.



Enhancing digital awareness for Ministry of Human Resources and Social Development beneficiaries

As part of our commitment to social development and capacity building, solutions by stc delivered a digital awareness workshop for beneficiaries of the Ministry of Human Resources and Social Development. The session focused on essential digital skills, helping participants better understand and navigate today's digital world.



Through this workshop, we aimed to empower individuals with practical knowledge, reduce the digital gap, and support their ability to access opportunities more effectively. A total of 8 beneficiaries attended and actively engaged in the session, reflecting the value and relevance of the content provided.

This initiative showcases our dedication to enabling communities through digital inclusion and reinforces our role as a key partner in supporting national goals related to skills development and social empowerment, fully aligned with Saudi Vision 2030 and our commitment to sustainability.

World Syndrome Day – Promoting awareness and inclusivity

solutions by stc proudly sponsors World Syndrome Day in collaboration with the Ministry of Education. Through this initiative, we actively support awareness that promotes inclusivity and well-being, reflecting our commitment to social responsibility and community development.

Ensuring robust governance and ethics

Focus Area	UNSDGs	Strategic Objectives
 <p>Optimizing Governance for Ethical Excellence</p>	  	<ul style="list-style-type: none"> Achieve operational efficiency through robust governance and transparency Establish governance standards to enable and enhance innovative service development

Cybersecurity and data privacy

We place the highest priority on cybersecurity and data privacy through a robust Governance, Risk, and Compliance (GRC) Framework. This framework involves continuous risk assessment, strict compliance with applicable laws, regulations, and industry standards, and proactive defense measures.

Our approach incorporates advanced technologies, regular audits, targeted employee training, incident response planning, and comprehensive data breach management. This integrated strategy ensures the confidentiality, integrity, and availability of all sensitive information, protecting our operations and sustaining the trust placed in solutions by stc.

Building partnerships for sustainable impact

Focus Area	UNSDGs	Strategic Objectives
 <p>Widening Impactful Partnerships and Sustainable Procurement</p>		<ul style="list-style-type: none"> Drive culture change and sustainable procurement through authentic leadership Secure partnerships to drive sustainable technology and transformation

Strengthening national sustainability capabilities

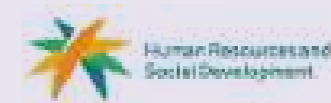
Participation in the Ministry of Economy and Planning Sustainability Champions Program

In 2024, we were selected as a mentee under stc Group in the Sustainability Champions Program led by the Ministry of Economy and Planning. The program aims to accelerate national sustainability efforts by strengthening capabilities, promoting knowledge transfer, and enhancing performance across key sectors in the Kingdom.

Throughout 2025, we continued our participation in this 2-year program, deepening collaboration and actively engaging in capability-building activities. Through the program, we contribute to the broader Vision 2030 sustainability objectives. Our involvement demonstrates a clear commitment to continuous improvement and positions us as a responsible corporate leader dedicated to long-term positive impact.

between the public and private sectors and aims to implement initiatives that create meaningful societal value.

Through this collaboration, we work jointly to design and deliver programs that support beneficiaries and contribute to long-term community development. The agreement reflects our deep commitment to corporate social responsibility and aligns with our GROW Sustainability Strategy and LEAP 2.0 Corporate Strategy. It reinforces our focus on driving social impact, enhancing community well-being, and creating sustainable value for a more inclusive society.



Collaboration with Majmaah University to support education and rural communities

We entered into a collaboration agreement with Majmaah University to extend support to rural communities and advance educational development. As part of this collaboration agreement employees conducted more than 10 sessions, both virtually and in person, to share practical knowledge and enhance learning opportunities for students. These efforts align with Vision 2030 priorities related to education, digital empowerment, and community development, and directly support the UN SDGs focused on Quality Education and Reduced Inequalities. The collaboration agreement reflects our commitment to creating meaningful social impact through knowledge-sharing and community engagement.

Expanding social impact through public-private collaboration

Partnership with the Ministry of Human Resources and Social Development

We signed a collaboration agreement with the Ministry of Human Resources and Social Development during LEAP 2025 to promote sustainable development and support social empowerment across the Kingdom. This agreement establishes a strong model of cooperation

Our people

Attracting, engaging and developing outstanding talent

This year, the focus has been on empowering our people through tailored development programs that strengthen capabilities and enhance readiness for future requirements, driving automation across our People operations to improve efficiency and quality.

The organizational structure was reshaped to align with the new operating model, enabling greater flexibility and clearer business alignment. In parallel, integration with sister companies was strengthened, facilitating the exchange of capabilities, creating efficiencies, and opening new opportunities for talent mobility.

These efforts reflect a strong conviction that the human capital management goes beyond traditional enablement, serving as a fundamental pillar and an active contributor to sustainable financial performance and the Company's long-term growth.



Emad Faisal AlMutairi

Chief People and Corporate Services Officer

Investing in our people, capabilities, and systems

In 2025, the Company continued to strengthen its institutional foundation through strategic investment in human capital, operational capabilities, and performance-supporting systems for long-term growth. Career development paths were enhanced through skill-building initiatives and leadership programs, alongside the expansion of graduate and co-op programs to prepare a new generation of future talent. Talent mobility across sister companies was further promoted, supporting the exchange of expertise and leveraging opportunities across the Group. In parallel, innovative operating models were implemented to reinforce organizational agility and governance, while workforce allocation and performance management were aligned to boost efficiency and productivity. Ongoing automation efforts contributed to smoother workflows and faster, data-driven decision-making, embedding a culture founded on efficiency, empowerment, and sustainable growth.

A strategic approach to talent

This year marked significant qualitative progress in advancing the People Strategy, through the establishment of a comprehensive talent management and development framework. This underscores a commitment to executing the human capital strategy, fostering future-ready capabilities, and strengthening organizational agility. Our focus on attracting top talent, developing our workforce, and embedding digital efficiency directly supports the LEAP Corporate Strategy, ensuring that human capital remains a core driver of transformation and long-term growth. Through these efforts, our people are better equipped to power the Company's strategic ambitions and deliver sustained impact.

solutions by stc in numbers

Number of employees

1,358

2024: 1,464



7.2% ↓

Number of nations represented

24

2024: 24



Number of Saudi employees

869

2024: 938



74% ↓

Average hours of training per employee

20

2024: 23



13.0% ↓

% female employees

20.8%

2024: 19.3%



1.5% ↑

Number of people of determination

8

2024: 6



33.3% ↑



Our people continued

People Strategy

Vision

To consciously focus on adding value to the business and augmenting the human capital at solutions

Mission

To lead the Human capital by providing innovative solutions to the business and its people, driving sustainable growth and empowering workforce to achieve their fullest potential

 <p>Ace the talent market</p>	 <p>Build a capable future workforce</p>	 <p>Cultivate strategic business enablement</p>	 <p>Deliver optimal operational efficiency</p>
<p>Drive the market by being a benchmark for other organizations. Creating extraordinary experience for the talent (retain and attract talents).</p>	<p>Positioning solutions as a leader generator by creating interactive learning culture (above and beyond learning).</p>	<p>Develop an agile organizational ecosystem that encourages cohesive collaboration, seamlessly integrating the business with its foundational elements for sustained advancement.</p>	<p>By leveraging the latest AI technology, solutions will ensure business sustainability throughout the organization and its affiliated entities (AI transformation).</p>

Building value through our core values

Our culture remains anchored in the core values of Drive, Devotion, and Dynamism, which continue to shape the way we work and define who we are as an Organization. These values are evident in the dedication and mindset our employees bring to their roles every day, reflecting how deeply they are embedded in the Company's identity.

To further reinforce and celebrate this culture, we introduced a Values Competition that recognizes and rewards employees who consistently demonstrate these principles through their actions and contributions. This initiative not only highlights excellence but also strengthens a shared sense of purpose and belonging across the Organization.

Advancing our people strategy in 2025

This year saw continued strong momentum across all 4 pillars of our People Strategy, strengthening our talent pipeline, building future-ready capabilities, enhancing operational efficiency, and deepening strategic enablement across the Organization. Through these efforts, we reinforced our commitment to developing a skilled, agile, and high-performing workforce that supports our ambitions and drives long-term sustainable growth.

Ace the talent market

Building a competitive pipeline of national talent

We strengthened our internship and early-career development efforts in 2025, using Co-op, Summer Training, and Tamheer programs as strategic platforms for attracting and nurturing national talent. A total of 265 trainees joined us through these programs, gaining hands-on experience and exposure to real business environments. This strong participation supports national priorities for youth development and positions us as a leader in integrating internship programs into our workforce strategy while contributing to future talent pipelines.

We also accelerated the AFAQ Internal Mobility Program, which enables talent movement across the Group to enhance collaboration, encourage knowledge transfer, and create meaningful career growth opportunities. With more than 70 internal mobility operations, the Company was able to meet multiple needs across the Organization and its

sister companies. We continue to leverage internal capabilities and optimize workforce deployment, reinforcing our commitment to developing talent from within.

Build a capable future workforce

Developing future leaders and deep technical expertise

We maintained focus on strengthening our long-term capability agenda through our Talent Incubation Program, a 2-year development journey designed for fresh graduates that combines job rotations with structured learning and technical certifications. The latest cohort included 30 participants, and 19 graduates from the 2024 batch successfully completed the program, earning professional certifications in areas such as CCNA, PMP, Data Management, and Business Analysis. This program remains a cornerstone in building a strong pipeline of future-ready professionals equipped with technical, business, and leadership capabilities.

Our flagship initiatives, including the Specialist Development Program, HiPO, and Signature, remained central to our approach and provided employees with structured opportunities to deepen expertise and build leadership and technical capabilities

Alongside these programs, we introduced new learning tracks focused on specialized technologies such as NVIDIA, Fortinet, Huawei, Avaya, and Microsoft to ensure that our workforce remains equipped to support evolving market and customer demands.

To prepare for emerging national opportunities, we launched the Public-Private Partnership Program, which builds capability in areas essential to future growth and aligns our talent with the Kingdom's strategic priorities.

We also introduced a series of Functional Diplomas in HR, Finance, and Legal to enhance professional mastery and strengthen functional excellence across the Organization. Together, these initiatives reinforced our commitment to continuous learning, capability development, and long-term organizational advancement.



Our people continued

Cultivate strategic business enablement

Strengthening leadership, performance, and organizational alignment

We enhanced strategic enablement by equipping line managers with a comprehensive 360° evaluation framework and rolling out an improved mid-year performance review process. This approach fosters mutual feedback between employees and managers, supports stronger collaboration, and reinforces leadership accountability. With 1,290 employees participating, we gained important insights that will inform future leadership development and help build more effective succession planning across the Organization.

In parallel, the organizational structure was refined to align with the new operating model, strengthening agility, accountability, and execution discipline. A more focused, market aligned approach was introduced to enhance scalability and customer centricity, while delivery and execution capabilities were further developed to support growth, improve project outcomes, and respond effectively to evolving business and market demands.

Deliver optimal operational efficiency

Automating processes to enhance speed, accuracy, and employee experience

We made significant progress in operational efficiency by automating governmental and employee medical services through Robotic Process Automation. This initiative created a fully digital, end-to-end process for submission, payment, and receipt, allowing tasks that once required several days to be completed within minutes, with 24/7 availability and no human intervention. The result has been a substantial improvement in service accessibility, employee experience, and operational performance.

We also advanced our recruitment transformation with the launch of a new Applicant Tracking System that digitizes the full hiring lifecycle, from requisition approval and job posting to candidate screening, interview scheduling, and offer issuance. Since its introduction, more than 250 recruitment transactions have been processed through the platform. The system has improved coordination between HR, hiring managers, and business units, provided real-time visibility on recruitment stages, and reduced administrative workload, resulting in a faster and more seamless hiring experience.

Engaging for continuous improvement

Employee Engagement Index 2025 stands at 83.4% reflecting a positive level of engagement. This underscores the resilience of the work environment and the continued presence of factors that support employee satisfaction and commitment. The results also highlight the success of organizational initiatives in maintaining a stable engagement level, while identifying clear opportunities to further enhance the employee experience and support the achievement of medium and long-term strategic objectives.

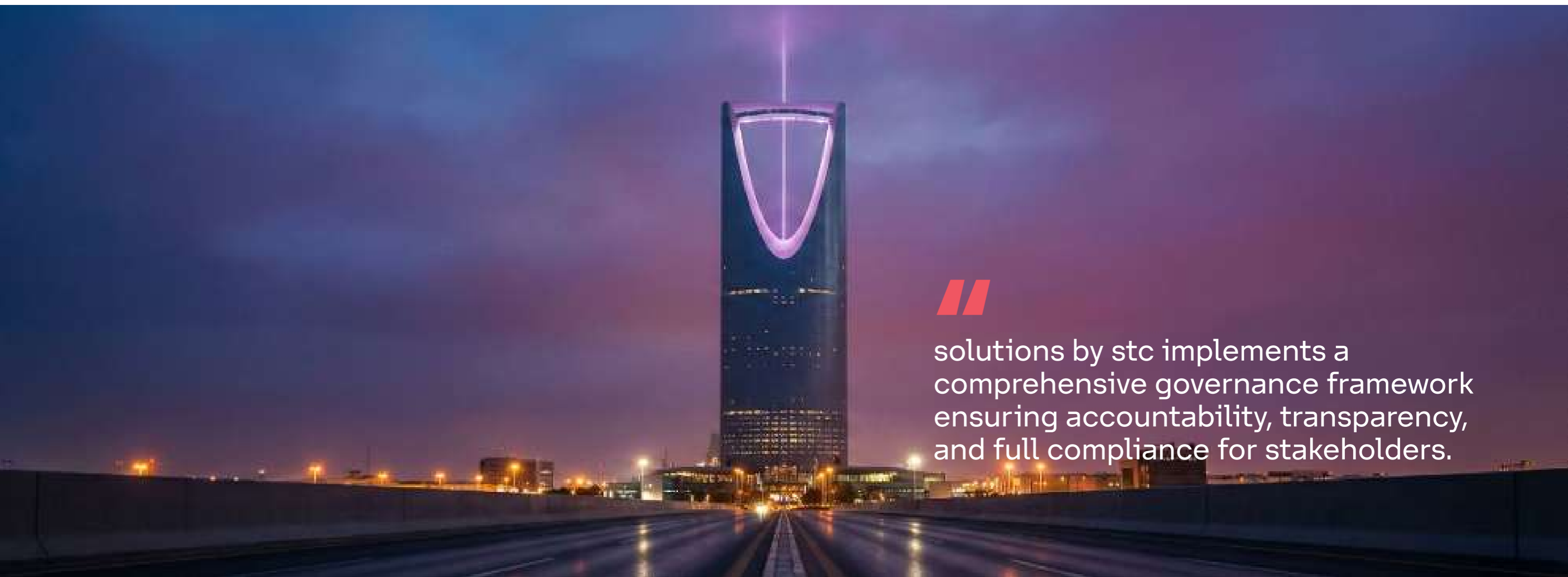
Looking forward

For 2026, we aim to deepen our focus on people, automation, and the integration of AI into operating models enabling smarter, data-driven decision-making and enhanced workforce productivity. The coming year's priorities also include sustaining and optimizing the newly activated business models, while maintaining and further enhancing development programs to build future-ready capabilities and ensure long-term organizational resilience.

We advanced our People Strategy in 2025 by establishing a comprehensive talent management and development framework, marking significant qualitative progress.



Corporate governance



solutions by stc implements a comprehensive governance framework ensuring accountability, transparency, and full compliance for stakeholders.

Introduction

The Board of Directors of solutions by stc is committed to implementing effective governance of its administrative and financial systems through the organization of operations and the clear distribution of powers and responsibilities. This ensures compliance, internal control, and transparency, promotes fairness among shareholders, protects the rights of stakeholders, adheres to the applicable laws and regulations in the Kingdom of Saudi Arabia, and contributes to achieving the objectives of the Kingdom's Vision 2030 and the aspirations of the wise government.

Driven by its commitment to adopting best practices in corporate governance, solutions by stc has implemented a comprehensive governance framework that strengthens the principles of fairness, accountability, and transparency, aiming to ensure full compliance with laws and regulations and to enhance the confidence of shareholders and stakeholders. In this regard, the Company has adopted a comprehensive set of corporate governance policies and procedures based on the Corporate Governance Regulations in Saudi Arabia, along with general policies that promote business ethics and regulatory compliance. The Company has also approved organizational documents to guide the Board of Directors, Executive Management, and all employees, including those of contractors and subsidiaries under its control. These policies cover various areas such as health, safety, and environment; fair competition; anti-monopoly, anti-bribery, and anti-corruption; conflict of interest; disclosure controls; insider trading; related party transactions; data protection; internal investigations; and compliance with applicable regulations.

solutions by stc believes that the corporate compliance management system is one of the key pillars of its success. The Company continuously strives to develop and enhance this system to ensure adherence to regulations and to strengthen the culture of compliance, positioning itself as a leading model in this field, and reinforcing trust among customers, partners, and investors.

Governance has also played a tangible role in supporting sustainability through initiatives that strengthen the Board's role in adopting international agreements and standards to promote ethical practices. This has been achieved by fostering a culture of compliance and enhancing stakeholder relations.

The Board of Directors of solutions by stc also seeks to promote governance practices across the Group, as the Executive Management of subsidiaries operates

through their respective boards and executive committees to align their activities with local and international best practices, thereby enhancing the Group's growth and integration. The Company continues to develop its governance policies in accordance with relevant laws and regulations and applies sound governance practices that enhance integrity and transparency within regulatory frameworks, enabling the achievement of its strategic objectives.

In line with its commitment to transparency, solutions by stc publishes all relevant regulations and policies on its official website (www.solutions.com.sa), including:

- Charter of the Board of Directors of solutions by stc
- Board Committees' Regulations
- Corporate Governance Regulations
- Conflict of Interest and Related Party Transactions Policy
- Code of Ethics and Professional Conduct
- Anti-Fraud and Anti-Corruption Policy
- Whistleblowing Policy
- Sustainability Policies and Reports

To align with sustainability requirements, solutions by stc complies with the disclosure guidelines for ESG practices issued by the Saudi CMA, and continues to enhance its alignment with the Global Reporting Initiative (GRI) Standards 2021, the UN SDGs, and the UNGC.

Moreover, the Company continues to support Saudi Vision 2030 by aligning its strategies with the Communications, Space, and Technology Commission's Strategy, the National Data and Artificial Intelligence Strategy, and the Ministry of Communications and Information Technology's Strategy, reflecting its active role as a key partner in driving national digital transformation.

solutions by stc believes that sustainable success is built on integrity, responsibility, and transparency. The Code of Ethics and Professional Conduct serves as a cornerstone in fostering an ethical work environment that extends to all partners. The Company has also established a clear Conflict of Interest and Related Party Transactions Policy to protect the integrity of decision-making and ensure transparency and fairness in all dealings, requiring all employees to disclose any potential conflicts of interest that may arise.

International standards

ISO/IEC 27001 for Information Security: This international standard specifies requirements for establishing, implementing, maintaining, and continually improving an information security management system within solutions by stc. This certification covers all business units of solutions by stc as an organization and includes all operations.

ISO 27001 certification was awarded by SGS on 6 September 2023. It applies to the Enterprise Technology and Innovation (ET&I) General Department and the Cybersecurity and Privacy Department of solutions by stc, located at the Company's headquarters in Riyadh. The certification is valid until 6 September 2026.



Cybersecurity and privacy awareness training

As part of its ongoing commitment to strong governance and responsible digital practices, solutions by stc conducts an annual Cybersecurity and Privacy Awareness Training campaign. The program is mandatory for all employees, including headquarters staff, contractors, and third-party personnel. In 2025, a total of 1,959 employees successfully completed the training during the campaign period, representing full participation across the solutions by stc workforce.

The training is delivered online and covers core cybersecurity and data-protection topics, including:

- Common cyber threats and emerging risks
- Data protection principles and secure handling of information
- Safe digital and workplace practices
- Awareness of internal cybersecurity and privacy policies
- Procedures for incident reporting
- Roles and responsibilities for regulatory and organizational compliance

To ensure full compliance, employees who have not completed the training by the end of the campaign are identified and reported to the IT team. In such cases, user accounts are temporarily disabled until the required training is completed.

All employees receive a refresher course annually to maintain awareness, reinforce good practices, and support continuous improvement in the Company's cybersecurity and privacy posture.

Training on ethical standards is provided to all employees, including contractors and part-time staff. While there are currently no part-time employees, the training requirement will automatically apply once such positions are established. The program is mandatory and conducted annually for both new hires and existing employees to ensure continued awareness and compliance with the Company's ethical principles.

In 2025, a total of 1,358 participants completed the training, representing 100% of the total workforce. Variations between this figure and the total workforce count may occur due to timing differences, as training requirements commence from each employee's contract start date.

Introduction continued

Category	Indicator	2022	2023	2024	2025	Corporate and anti-fraud governance comments
Anti-corruption	Legal cases raised by external entities regarding corruption	0	0	0	0	
	Incidents in which employees were dismissed or disciplined for corruption	0	0	0	0	
Anti-corruption training	Number of employees attended training on anti-corruption	All	All	All	All	This can be marked as "all and 100%" since the Code of Ethics, which includes relevant clauses on anti-bribery/corruption, has been communicated to all employees
	Percentage of employees attended training on anti-corruption	100%	100%	100%	100%	
	Percentage of governance body members who have received training on anti-corruption	0	22%	11%	0	
	Percentage of governance body members to which anti-corruption policies and procedures have been communicated	100%	100%	100%	100%	
Anti-corruption communication	Percentage of employees to which anti-corruption policies and procedures have been communicated	N/A Refer to our comments	All employees have access to the policy through the internal portal and solutions website	All employees have access to the policy through the internal portal and solutions website	All employees have access to the policy through the internal portal and solutions website	This can be marked as "all and 100%" since the Code of Ethics, which includes relevant clauses on anti-bribery/corruption, has been communicated to all employees. Also, we have on-going awareness program to be circulated in annual Baise to cover this part
	Percentage of business partners to which anti-corruption policies and procedures have been communicated	N/A	100%	100%	100%	
	Number of whistleblowing inquiries, complaints, or issues received	-	12	25	17	
Whistleblowing	Percentage of substantiated whistleblowing inquiries, complaints, or issues	-	100%	92%	90%	
	Percentage of whistleblowing cases related to human rights	-	0	8%	0	

Company bylaws and policies

To enhance transparency for investors and stakeholders, solutions by stc has established a unified Clawback and Malus Framework that outlines the mechanisms through which the Company may withhold, reduce, or recover incentive-based compensation or share awards. These provisions ensure accountability, ethical conduct, and robust governance across the organization. The framework is embedded across 4 main policies, each covering a distinct employee group while maintaining a consistent interpretation of malus (withholding/reduction before vesting or payout) and clawback (recovery after payout):

1. Nomination and Remuneration Policy for Board Members, Board Committee Members, and Executive Management
2. solutions by stc Work Regulations Bylaws
3. Executives Long-Term Incentive Program (LTIP) Policy
4. Sales Incentive Policy (SIP)

Together, these policies create an integrated governance structure that ensures undeserved or improperly obtained rewards can be withheld or recovered when eligibility conditions or conduct standards are violated.

solutions by stc work regulations bylaws

These bylaws, approved by the Ministry of Human Resources and Social Development, define employee rights, obligations, and disciplinary measures. They outline both short-term (wage deductions) and long-term (end-of-service forfeiture) clawback and malus actions in compliance with the Labor Law. The bylaws highlight several misconduct scenarios that trigger clawback actions, such as:

- Disclosing the content of conversations or revealing the identity of involved parties
- Disrupting subscribers or intentionally damaging the Company network for personal gain
- Manipulating customer data or intentionally registering false customer information
- Illegally modifying printed or electronic Company or customer data for personal gain or to cause harm
- Intentionally damaging, disrupting, destroying, or hacking Company systems or services

These scenarios emphasize the importance of data protection, and ethical conduct-principles echoed across the Long-Term Incentive Policy (LTIP) and Sales Incentive Policy.

Nomination and Remuneration Policy for members of the Board, Committees, and Executive Management

This policy applies to Board members, Committee members, and Executive Management. It includes a clawback scenario in which the General Assembly terminates a Board member's membership due to failure to attend 3 separate Board meetings without a legitimate excuse. In such cases, the Board member becomes ineligible for remuneration beyond the last meeting attended and must return any remuneration disbursed for the subsequent period.

Executives Long-Term Incentive Policy

This policy applies to all solutions by stc's long-term incentive recipients where it is stipulated that the Board's Nomination and Remuneration Committee holds the right to claw back (the right to retrieve/recover the vested or unvested incentive) from the participants in the following scenarios:

- Received an award based on materially inaccurate publicly reported financial statements
- Knowingly engaged in providing materially inaccurate information
- Materially violated any risk limits established or revised by Senior Management and/or risk management
- Committing any act that violates the Company's defined rules and regulations of conduct
- Any misconduct where the Nomination and Remuneration Committee determines not to pay

solutions by stc's leadership are highly committed towards fostering a culture of integrity, transparency, and honesty.

Sales Incentive Policy

The Sales Incentive Policy incorporates robust clawback mechanisms designed to promote ethical conduct, data integrity, and accurate sales performance reporting. Sales performance data is subject to mandatory, annual validation by relevant stakeholders, ensuring transparency and accountability across the incentive process. Any unjustified discrepancies or inconsistencies identified during validation may result in immediate disqualification from the incentive plan.

Introduction continued

Breaches of policy provisions, internal controls, or applicable compliance requirements may lead to partial or full disqualification from incentive payouts, subject to Management review and approval. Clawback actions may be initiated in circumstances including, but not limited to:

- Errors in calculation that materially impact incentive payout accuracy
- Non-compliance with approved incentive plan rules or Sales Incentive Policy requirements
- Identification of fraud, misrepresentation, or unethical conduct associated with sales performance or reporting

All clawback decisions are subject to formal verification, documented review, and approval by authorized management. Upon completion of the approval process, Payroll is empowered to recover partial or full incentive amounts, including through future payroll adjustments, in accordance with applicable laws and internal governance standards.

External auditor

External auditor (including audit and non-audit fees)

Introduction to Deloitte and Touche & Co Chartered Accountants: CRN1010600030

The following is a statement of the audit fees and expenses related to services provided by the Company's external auditor, in addition to any other services provided by audit firms other than the Company's external auditor during the year 2025.

Name of audit firm and partner auditor: **Deloitte and Touche & Co Chartered Accountants, Mazen A.Al-Omari**

Number of years spent as the auditor of the Company: **First year audit**

Total audit fees for the year 2025: **ﷲ 1,430,000**

Fees and costs of services provided to the Company by its external auditors, Deloitte and Touche & Co, other than for the audit of the financial statements of the Company for the year 2025:

Audit firm	Service type	Fees and expenses (ﷲ)
Deloitte and Touche & Co	Review of the interim condensed consolidated financial statements for the periods ended 31 March, 30 June, and 30 September 2025	712,500
Deloitte and Touche & Co	Audit of the financial statements for zakat purposes for the year ended 31 December 2025	156,000
Deloitte and Touche & Co	CSTC Charges Review in accordance with the regulatory framework for the year ended 31 December 2025	78,000
Total		946,500

Board of Directors

The Company is managed by a Board of Directors consisting of 9 members, classified in accordance with the definitions set out in the Corporate Governance Regulations issued by the CMA in the Kingdom of Saudi Arabia. The members were elected by the Company's General Assembly convened on 3 December 2025 for the new Board term, which commenced on 22 December 2025 and will run for a period of 4 calendar years, ending on 21 December 2029, as follows:

	Name	Nature of Membership	Membership Classification	Nationality
1	Mr. Riyadh Saeed Muawad	Chairman of the Board	Non-Executive	Saudi
2	Mr. Haithem Mohammed AlFaraj	Deputy Chairman of the Board	Non-Executive	Saudi
3	Mr. Mathad Faisal AlAjmi	Board member	Non-Executive	Saudi
4	Mr. Mohammed Abdullah AlAbbadi	Board member	Non-Executive	Saudi
5	Mr. Motaz Ali Alangari	Board member	Non-Executive	Saudi
6	Mr. Ali Abdullah Alharbi	Board member	Non-Executive	Saudi
7	Mr. Abdullatif Ali Al-Seif	Board member	Independent	Saudi
8	Mr. Fahad Suliman Abalkhail	Board member	Independent	Saudi
9	Mr. Fahad Adnan Al Mansour	Board member	Independent	Saudi

The Audit Committee was also formed at the Board of Directors' meeting held on 24 December 2025, during which its responsibilities, operating controls, and members' remuneration were determined for the new term, effective from 24 December 2025 until the end of the Board's term on 21 December 2029.

Composition of the Board of Directors

The nature and classification of their membership

	Name	Nature of Membership	Membership Classification	Nationality
1	Mr. Riyadh Saeed Muawad	Chairman of the Board	Non-Executive	Saudi
2	Mr. Haithem Mohammed AlFaraj	Deputy Chairman of the Board	Non-Executive	Saudi
3	Mr. Emad Aoudah Al Aoudah ¹	Board member	Non-Executive	Saudi
4	Mr. Omar Abdulaziz AlShabibi ¹	Board member	Non-Executive	Saudi
5	Mr. Mathad Faisal AlAjmi	Board member	Non-Executive	Saudi
6	Mr. Mohammed Abdullah AlAbbadi	Board member	Non-Executive	Saudi
7	Mr. Motaz Ali Alangari ²	Board member	Non-Executive	Saudi
8	Mr. Ali Abdullah Alharbi ²	Board member	Non-Executive	Saudi
9	Mr. Mohammad Abdullah Alaseeri ¹	Board member	Independent	Saudi
10	Mr. Abdullatif Ali Al-Seif	Board member	Independent	Saudi
11	Mr. Fahad Suliman Abalkhail	Board member	Independent	Saudi
12	Mr. Fahad Adnan Al Mansour ²	Board member	Independent	Saudi

¹ Membership ended with the conclusion of the previous Board of Directors' term (No. 1) on 21 December 2025.

² Elected by the Company's General Assembly convened on 3 December 2025 for the new Board term (No. 2), which commences on 22 December 2025 and will last for 4 calendar years, ending on 21 December 2029.

Board of Directors continued

Board members, Committee members, and Executive Management's current and previous positions, qualifications, and experience

Board and Committee members



Mr. Riyadh Saeed Muawad

Current positions

- **Chairman of the Board** - solutions by stc
- **Chairman of the Executive Committee and the Investment Committee** - solutions by stc
- **Chairman of the Board** - iot2
- **Chairman of the Board** - sirar by stc
- **Vice Chairman of the Board** - Saudi Cloud Computing Company (SCCC)
- **Member of the Board** - specialized by stc
- **Group Chief Business Officer** - stc

Previous positions

- **Chairman of the Board and the Executive Committee** - specialized by stc
- **Vice President of Corporate and Government Sales** - stc
- **Member of the Board** - Kuwait Telecom Company (stc Kuwait)
- **Held the following positions at Cisco Saudi Arabia Limited:**
 - Regional Manager
 - Security and Defense Sales Manager
 - Account Manager
- **Account/Channel Manager** - CA Technologies
- **Account Manager** - National Technology Company (Bugshan Group)

Qualifications

- **Bachelor's degree in Computer Science** - Boston University, USA
- **Senior Executive Program, Strategy, Innovation, and Digital Transformation** - Harvard Business School, USA (2017-2018)

Experience

More than 20 years of experience in:

- Information and Communication Technology



Mr. Haithem Mohammed AlFaraj

Current positions

- **Deputy Chairman of the Board** - solutions by stc
- **Member of the Executive Committee** - solutions by stc
- **Member of the Board** - C4IR KSA
- **Member of the Board** - specialized by stc
- **Group Chief Technology Officer** - stc

Previous positions

- **Vice Chairman of the Board** - Telecommunication Tower Co. Ltd. (TAWAL)
- **Chairman of the Board** - sirar by stc
- **Member of the Board** - Mobily NCBS
- **Vice President of Operations** - stc
- **Held the following positions at Etihad Etisalat Company (Mobily):**
 - Chief IT Operations Officer
 - Vice President of Data Hosting and Managed Services
 - Vice President of IT Operations
 - Director of the Data Center
 - Manager of Systems Administration
- **Systems Analyst** - Saudi Arabian Oil Company (Aramco)

Qualifications

- **Bachelor's degree in Applied Computer Engineering** - King Fahad University of Petroleum and Minerals (KFUPM), KSA
- **Master of Business Administration** - Hult International Business School, UAE (2022)

Experience

More than 24 years of experience in:

- Information and Communication Technology
- Petroleum



Mr. Emad Aoudah Al Aoudah¹

Current positions

- **Member of the Board** - solutions by stc (membership ended on 21 December 2025)
- **Member of the Executive Committee** - solutions by stc (membership ended on 21 December 2025)
- **Member of the Board** - specialized by stc
- **Member of the Board and Executive Committee** - Arab Satellite Communications Organization (Arabsat)
- **Member of the Board** - Naqel
- **Group Chief Shared Services Officer** - stc

Previous positions

- **Held the following positions at stc:**
 - Vice President of Procurement and Shared Services
 - Vice President of Regulatory and Corporate Affairs
 - Vice President of Strategy and Projects (Acting)
- **Chairman of the Board** - channels by stc
- **Chairman of the Board** - stc Gulf Investment Holding (stc Gulf)
- **Member of the Board** - Bravo Company
- **Member of the Board** - Aqalat Real Estate Company

- **CEO** - National Unified Procurement Company for Medical Supplies (NUPCO)
- **General Manager of Group Digital Publishing and Group Chief Information Officer** - Saudi Research and Marketing Group
- **General Manager** - Saudi Information Technology Company (SITE)
- **Public Sector Marketing and Sales Country Manager** - Oracle
- **Program Manager** - Saudi Central Bank (SAMA)

Qualifications

- **Bachelor's degree in Information Systems** - King Saud University, KSA
- **Board/Corporate Governance Certificate** - INSEAD Business School
- **Advanced Management Program for CEO's Certificate** - INSEAD Business School

Experience

More than 33 years of experience in:

- Information and Communication Technology
- Finance
- Health
- Publishing
- Real Estate

¹ Membership on the Board of Directors and the Executive Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

Board of Directors continued



Mr. Omar Abdulaziz AlShabibi ²

Current positions

- **Member of the Board** - solutions by stc (membership ended on 21 December 2025)
- **Member of the Audit Committee** - solutions by stc (membership ended on 21 December 2025)
- **Member of the Nomination and Remuneration Committee** - solutions by stc (membership ended on 21 December 2025)
- **Member of the Board** - iot2
- **Member of the Audit and the Nomination and Remuneration Committees** - iot2
- **Member of the Board** - stc Gulf Investment Holding
- **Member of the Board** - Telecom Commercial Investment Company Limited
- **Member of the Board** - channels by stc
- **Chairman of the Audit and Risk Committee** - channels by stc

- **Member of the Board** - Intigral Company
- **Vice President of Financial Reporting and Control Sector** - stc

Previous positions

- **Member of the Board** - stc pay
- **Chairman of the Audit Committee** - stc pay
- **Member of the Board** - Sapphire Company Ltd.
- **General Manager of Financial Reporting** - stc
- **General Manager of Accounts** - stc

Qualifications

- **Bachelor's degree in Accountancy** - King Saud University, KSA

Experience

More than 26 years of experience in:

- Information and Communication Technology
- Finance



Mr. Mathad Faisal AlAjmi ³

Current positions

- **Member of the Board** - solutions by stc
- **Member of the Audit Committee** - solutions by stc
- **Member of the Nomination and Remuneration Committee** - solutions by stc
- **Member of the Board** - specialized by stc
- **Member of the Audit Committee** - specialized by stc
- **Member of the Board** - Digital Infrastructure Investment Company
- **Member of the Board** - Red Sea Cruise
- **Chairman of the Audit and the Risk Committees** - Red Sea Cruise
- **Chief Legal Officer of Risk Management and Group General Counsel** - stc Group
- **Member of the Board** - Pearl Initiative

Previous positions

- **Member of the Board and the Audit Committee** - Saudi Iron & Steel Co. (Hadeed)
- **Held the following positions at Saudi Basic Industries Corp (SABIC):**
 - General Manager and Chief Counsel
 - Director of International Trade
 - Senior Council and Manager of International Trade
 - Lawyer

- **Member of the International Trade Committee** - Gulf Petrochemicals and Chemicals Association (GPCA)
- **Foreign Legal Consultant (Part-time)** - King & Spalding (USA)
- **Foreign Legal Consultant** - Freshfields (Germany)
- **Vice President and General Counsel for Legal Affairs** - stc
- **Board Member and Chairman of the Audit Committee** - Integral

Qualifications

- **Master's degree in International Intellectual Property Law** - Illinois Institute of Technology, USA
- **Master of Business Administration** - Georgetown University Business School, Washington DC, USA
- **Bachelor of Law and LL.B** - King Saud University, KSA

Experience

More than 24 years of experience in:

- Petrochemicals
- Legal
- Non-Profits
- Communications and Information Technology
- Quality and Risk Management
- International Trade
- Governance and Quality Excellence
- Internal Control

² Membership on the Board of Directors, the Audit Committee, and the Nomination and Remuneration Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

³ Joined the Nomination and Remuneration Committee, in addition to membership on the Audit Committee, for Board term No. (2) effective 24 December 2025.

Board of Directors continued



Mr. Mohammed Abdullah AlAbbadi

Current positions

- **Member of the Board** - solutions by stc
- **Member of the Executive and the Nomination and Remuneration Committees** - solutions by stc
- **Chairman of the Board** - center3 by stc
- **Member of the Board** - Cura
- **Member of the Board** - Global Leaders' Forum
- **Group Chief Carrier and Wholesale Officer** - stc

Previous positions

- **Member of the Board and the Executive Committee** - specialized by stc
- **Vice Chairman of the Board** - Forus
- **Member of the Board and the Executive Committee** - stc pay
- **Member of the Board** - Saudi Volunteer Organization (Takatuf)
- **Held the following positions at stc:**
 - Vice President of Strategy Execution and Corporate Affairs
 - Vice President of Strategic Projects and Corporate Performance
- **Chairman of the Board** - Aqalat Company Limited (Aqalat)

Held the following positions at Cisco Saudi Arabia Limited:

- Managing Director
- Deputy General Manager
- Operations Director (Public Sector)
- Regional Manager of the Local Government, Education, Military, and Defense Sectors
- Channels Account Manager
- Marketing Manager

Qualifications

- **Bachelor's degree in Systems Engineering** - KFUPM, KSA, 1999
- **Master of Business Administration** - IE University, Spain
- **Senior Executive Leadership Program** - Harvard Business School, USA, 2018

Experience

More than 26 years of experience in:

- Telecommunication
- Information Technology
- Financial Industry / Fintech
- Real Estate
- Telehealth



Mr. Motaz Ali Alangari⁴

Current positions

- **Group Chief Investment Officer** - stc
- **Member of the Board and the Investment Committee** - solutions by stc
- **Member of the Board** - Digital Infrastructure Company
- **Member of the Board** - Jokey Club of Saudi Arabia
- **Chairman of the Investment Committee** - Jokey Club of Saudi Arabia
- **Member of the Board** - PIF Confidential Company
- **Member of the Audit Committee** - PIF Confidential Company
- **Member of the Board and the Executive Committee, and Chairman of the Risk Committee** - stc bank

Previous positions

- **Head of Investment Banking** - Banque Saudi Fransi
- **Executive Director** - Morgan Stanley Saudi Arabia

- **Senior positions with Samba Capital, Samba Financial Group, and National Commercial Bank**
- **Member of the Board and Chairman of the Audit Committee** - Saudi Cloud Computing Company (Alibaba Cloud)

Qualifications

- **Bachelor's degree in Business**
- **Certificates in Finance** - New York Institute of Finance, USA
- **Certificate in Financial Management** - Cornell University, USA

Experience

More than 17 years of experience in:

- Investment and Corporate Banking
- Governance
- Audit
- Building
- Investment Funds

⁴Joined the Board of Directors for Board term No. (2) with effect from 22 December 2025 and joined the Investment Committee with effect from 24 December 2025.

Board of Directors continued



Mr. Ali Abdullah Alharbi ⁵

Current positions

- **Member of the Board and the Audit and the Investment Committees** - solutions by stc
- **Member of the Audit and the Executive Committees** - Digital Infrastructure Investment Company
- **Member of the Audit Committee** - General Cloud Computing Company for Information Technology
- **Member of the Audit Committee** - Aqalat Al-Aqariya Limited Company
- **Member of the Audit Committee** - Smart Zone Real Estate Company
- **Vice President of Corporate Finance** - stc

Previous positions

- **Chief Finance Officer** - Bahri (The National Shipping Co. of Saudi Arabia)
- **General Manager, Financial Control** - stc
- **Finance Manager** - Obeikan Investment Group
- **Senior Accountant** - El Seif Development Company
- **Faculty Member**- Institute of Public Administration

Qualifications

- **Master of Accounting** - University of Colorado, USA
- **SOCPA, CMA, CFM, CIA Professional Certificates**
- **Bachelor of Accounting** - King Saudi University, KSA

Experience

More than 25 years of experience in:

- Finance
- Risk

⁵ Joined the Board of Directors for Board term No. (2) with effect from 22 December 2025 and joined the Audit Committee and the Investment Committee with effect from 24 December 2025.

⁶ Membership on the Board of Directors and the Executive Committee ended at the conclusion of Board term No. (1) on 21 December 2025.



Mr. Mohammad Abdullah Alaseeri ⁶

Current positions

- **Member of the Board - solutions by stc** (membership ended on 21 December 2025)
- **Member of the Executive Committee** - solutions by stc (membership ended on 21 December 2025)

Previous positions

- **Policy, Strategy, and Digital Transformation Advisor to H.E. the Vice Minister of Municipal and Rural Affairs and Housing**
- **General Manager of Research and Consulting** - Traveler Security Center
- **Held the following positions at the Ministry of Education:**
 - Policy, Strategy, and Technology Advisor
 - General Manager of the Strategy Management Office
- **Held the following positions at the National Information Center:**
 - Director of Business Development
 - Policy, Strategy, and Technology Advisor
 - Program Manager of Identity Program
 - Solutions Architect (National Identity Project)
 - Technical Director (Machine Readable Passport Project)

Qualifications

Master's degree in Computer Engineering - Syracuse University, USA

Experience

More than 38 years of experience in:

- Information and Communication
- Education
- Real Estate



Mr. Abdullatif Ali Al-Seif

Current positions

- **Member of the Board** - solutions by stc
- **Chairman of the Audit Committee** - solutions by stc
- **Chairman of the Board** - The Saudi Investment Bank
- **Member of the Board and CEO** - Sabeen Investment Company
- **Member of the Board** - Southern Province Cement Company (SPCC)
- **Member of the Board** - Wisayah Global Investment Company
- **Member of the Board** - Alnahdi Medical Company
- **Member of the Board** - SALIC
- **Member of the Board** - Albilad Tourism Fund

Previous positions

- **CEO and Member of the Board** - Raidah Investment Company (RIC)
- **Investment Advisor** - Public Pension Agency
- **Vice President and Chief Investment Officer** - King Abdullah Humanitarian Foundation
- **Director of Portfolio Management** - Mohammed I. Alsubaei & Sons Investment Company (MASIC)
- **Held the following positions at Saudi Aramco:**
 - Head of Portfolio Management for Investment Management Division
 - Financial Analyst of Credit and Collection Division
 - Financial Analyst of Investment Management Division
- **Member of the Board** - HSBC Saudi Arabia

- **Portfolio Manager** - KAUST Investment Management Company
- **Member of the Board** - National Petrochemical Company (Petrochem)
- **Vice Chairman of the Board** - Riva Investment
- **Member of the Board** - Alothaim Investment Company
- **Member of the Board** - Olam Agri Holdings Pte. Ltd.
- **Member of the Board** - Arabian Cement Company (ACC)
- **Member of the Board** - Al Rajhi Bank
- **Member of the Board** - Awqaf Investment Company
- **Member of the Board** - Growth Catalyst Company

Qualifications

- **Bachelor of Science in Business Administration** - Boston University, USA
- **Master of Arts in Economics** - Boston University, USA
- **Master of Business Administration (Majoring in Finance)** - Boston University, USA

Experience

More than 23 years of experience in:

- Finance
- Petroleum
- Materials
- Humanitarian
- Government and Public sectors
- Petrochemical
- Information and Communication Technology

Board of Directors continued



Mr. Fahad Suliman Abalkhail⁷

Current positions

- **Member of the Board** - solutions by stc
- **Chairman of the Nomination and Remuneration Committee** - solutions by stc
- **Member of the Executive Committee** - solutions by stc
- **Member of the Investment Committee** - solutions by stc (membership ended on 21 December 2025)
- **Chairman of the Nomination and Remuneration Committee** - Saudi Electricity Project Development Company
- **CEO** - Saudi Company for Visa and Travel Solutions (TASHIR)
- **Member of the Board** - Saudi Visa and Travel Solution Limited (Bangladesh)
- **Member of the Board** - The Saudi International Company for Completion and Follow-up of Visa Procedures and Approvals for Embassies (Kuwait)
- **Member of the Board** - Saudi Company for Visa Solutions (Qatar)

Previous positions

- **CEO** - Sehati for Information Technology Services
- **Delivery and Operations Executive Director** - Saudi Technology and Security Comprehensive Control Company (Tahakom)

- **ICT General Manager** - The Ministry of Transport
- **Held the following positions at the Ministry of Forzign Affairs:**
 - ICT Deputy General Manager
 - Director of E-Services
 - Quality Control Manager
 - E-Government Projects Manager
 - Development Team Leader
 - Senior Systems Analyst and Programmer

Qualifications

Bachelor's degree in Information Systems - College of Computer and Information Science, King Saud University, KSA

Experience

More than 26 years of experience in:

- Government and Public sectors
- Information and Communication Technology
- Traffic Solutions and Transportation
- Healthcare
- Visa, Travel, and Tourism

⁷ Membership on the Investment Committee ended at the conclusion of Board term No. (1) on 21 December 2025. Joined the Executive Committee, in addition to continued membership on the Nomination and Remuneration Committee, for Board term No. (2) with effect from 24 December 2025.



Mr. Fahad Adnan Almansour⁸

Current positions

- **Member of the Board and the Executive and the Investment Committees** - solutions by stc
- **Chairman of the Board** - Saudi Marafiq FM
- **Member of the Board** - AREIC REIT
- **Member of the Board and Chairman of the Audit Committee** - United Electronics Company (eXtra)
- **Member of the Board and the Investment Committee** - NAPCO National Company
- **Member of the Board and Chairman of the Audit Committee** - ARCAPITA
- **Member of the Board and Managing Director** - AREIC RED
- **Member of the Board** - Zajil Holding

Previous positions

- **CEO** - Zajil Holding
- **Deputy Minister** - Ministry of Economy and Planning
- **Chief Operations Officer** - Kadi Group Holding
- **General Manager** - Zajil Express
- **Associate** - Ernst & Young

Qualifications

- **Master of Business Administration** - London Business School, UK
- **Bachelor's degree in Accounting** - California State University, USA

Experience

More than 15 years of experience in:

- Finance
- Risk

⁸ Joined the Board of Directors for Board term No. (2) with effect from 22 December 2025 and joined the Executive Committee and the Investment Committee with effect from 24 December 2025.

Board of Directors continued

Names of companies inside and outside the Kingdom in which a Board member is a member of their current or previous board or management

Member name	Names of companies in which a Board member is a member of their current board or a manager	Inside/ outside the Kingdom	Legal entity	Names of companies in which a Board member is a member of their previous board or a manager	Inside/ outside the Kingdom	Legal entity
Mr. Riyadh Saeed Muawad	solutions by stc	Inside	Listed Joint Stock Company	specialized by stc	Inside	Limited Liability Company
	specialized by stc	Inside	Limited Liability Company	Kuwait Telecom Company (stc Kuwait)	Outside	Listed Joint Stock Company
	stc	Inside	Listed Joint Stock Company	Cisco	Inside	Limited Liability Company
	Saudi Cloud Computing Company (SCCC)	Inside	Limited Liability Company	CA Technologies	Outside	Listed Joint Stock Company (USA)
	iot2	Inside	Limited Liability Company	National Technology Company (Bugshan Group)	Inside	Limited Liability Company
	sirar by stc	Inside	Limited Liability Company	stc	Inside	Listed Joint Stock Company
Mr. Haithem Mohammed AlFaraj	solutions by stc	Inside	Listed Joint Stock Company	stc	Inside	Listed Joint Stock Company
	stc	Inside	Listed Joint Stock Company	Etihad Etisalat Company (Mobily)	Inside	Listed Joint Stock Company
	C4IR KSA	Inside	Public-Private Partnership	Aramco	Inside	Listed Joint Stock Company
	specialized by stc	Inside	Limited Liability Company	sirar by stc	Inside	Limited Liability Company
				Telecommunications Tower Co. (TAWAL)	Inside	Limited Liability Company
Mr. Emad Aoudah Al Aoudah ¹	solutions by stc	Inside	Listed Joint Stock Company	stc	Inside	Listed Joint Stock Company
	stc	Inside	Listed Joint Stock Company	channels by stc	Inside	Limited Liability Company
	Arabian Satellite Communications Organization (Arabsat)	Inside	Limited Liability Company	Aqalat	Inside	Limited Liability Company
	specialized by stc	Inside	Limited Liability Company	NUPCO	Inside	Limited Liability Company
	Naqel Company	Inside	Closed Joint Stock Company	Saudi Research and Marketing Group	Inside	Listed Joint Stock Company
				Saudi Information Technology Company (SITE)	Inside	Limited Liability Company
				Oracle	Outside	Limited Liability Company
				Saudi Central Bank	Inside	Government
				stc Gulf Investment Holding	Inside	Limited Liability Company
			Bravo Company	Inside	Limited Liability Company	

Member name	Names of companies in which a Board member is a member of their current board or a manager	Inside/ outside the Kingdom	Legal entity	Names of companies in which a Board member is a member of their previous board or a manager	Inside/ outside the Kingdom	Legal entity
Mr. Omar Abdulaziz AlShabibi ¹	solutions by stc	Inside	Listed Joint Stock Company	stc	Inside	Listed Joint Stock Company
	stc Gulf Investment Holding	Inside	Limited Liability Company	stc pay	Inside	Closed Joint Stock Company
	Telecom Commercial Investment Company Limited	Inside	Limited Liability Company	Sapphire Company Ltd.	Inside	Limited Liability Company
	channels by stc	Inside	Limited Liability Company			
	stc	Inside	Listed Joint Stock Company			
	Intigral	Inside	Limited Liability Company			
	iot2	Inside	Limited Liability Company			
Mr. Mathad Faisal AlAjmi	solutions by stc	Inside	Listed Joint Stock Company	stc	Inside	Listed Joint Stock Company
	stc	Inside	Listed Joint Stock Company	Saudi Iron and Steel Company (Hadeed)	Inside	Closed Joint Stock Company
	Pearl Initiative	Outside	Non-Profit Organization	Saudi Basic Industries Corporation (SABIC)	Inside	Listed Joint Stock Company
	Digital Investment Company (New Tawal)	Inside	Limited Liability Company	Gulf Petrochemicals and Outside Chemicals Association (GPCA)	Outside	Closed Joint Stock Company
	specialized by stc	Inside	Limited Liability Company	King and Spalding	Outside	International Law Firm
	Red Sea Cruise	Inside	PIF Company	Freshfields	Outside	International Law Firm
				Intigral	Inside	Limited Liability Company
Mr. Mohammed Abdullah AlAbbadi	solutions by stc	Inside	Listed Joint Stock Company	stc pay	Inside	Closed Joint Stock Company
	stc	Inside	Listed Joint Stock Company	Aqalat	Inside	Limited Liability Company
	Cura	Outside	Limited Liability Company	Cisco	Inside	Limited Liability Company
	center3	Inside	Limited Liability Company	Forus	Inside	Closed Joint Stock Company
	Global Leaders' Forum	Outside	Limited Liability Company	Saudi Volunteer Organization (Takatuf)	Inside	Non-Profit Organization
				stc	Inside	Listed Joint Stock Company
				specialized by stc	Inside	Limited Liability Company

Board of Directors continued

Member name	Names of companies in which a Board member is a member of their current board or a manager	Inside/ outside the Kingdom	Legal entity	Names of companies in which a Board member is a member of their previous board or a manager	Inside/ outside the Kingdom	Legal entity
Mr. Mohammad Abdullah Alaseeri ¹	solutions by stc	Inside	Listed Joint Stock Company	Traveler Security Center	Inside	Government
				Ministry of Education	Inside	Government
				National Information Center	Inside	Government
				Ministry of Municipal and Rural Affairs and Housing	Inside	Government
Mr. Abdullatif Ali Al-Seif	solutions by stc	Inside	Listed Joint Stock Company	King Abdullah Humanitarian Foundation	Inside	Non-Profit Organization
	Sabeen Investment Company	Inside	Closed Joint Stock Company	Raidah Investment Company	Inside	Closed Joint Stock Company
	Southern Province Cement Company (SPCC)	Inside	Listed Joint Stock Company	HSBC	Inside	Closed Joint Stock Company
	Wisayah Global Investment Company	Inside	Limited Liability Company	Arabian Cement Company (ACC)	Inside	Listed Joint Stock Company
	Saudi Investment Bank	Inside	Listed Joint Stock Company	Riva Investment Company	Inside	Limited Liability Company
	Alnahdi Medical Company	Inside	Closed Joint Stock Company	National Petrochemical Company (Petrochem)	Inside	Listed Joint Stock Company
	SALIC	Inside	Closed Joint Stock Company	Alothaim Investment Company	Inside	Closed Joint Stock Company
	AlBilad Tourism Fund	Inside	Real Estate Fund	Saudi Aramco	Inside	Listed Joint Stock Company
				Mohammed I Alsubeaei & Sons Investment Company (MASIC)	Inside	Closed Joint Stock Company
				KAUST Investment Management Company	Inside	Closed Joint Stock Company
				Olam Agri Holdings Pte. Ltd.	Outside	Limited Liability Company
				Al Rajhi Bank	Inside	Listed Joint Stock Company
			Awqaf Investment Company	Inside	Closed Joint Stock Company	
			Growth Catalyst Company	Inside	Limited Liability Company	

Member name	Names of companies in which a Board member is a member of their current board or a manager	Inside/ outside the Kingdom	Legal entity	Names of companies in which a Board member is a member of their previous board or a manager	Inside/ outside the Kingdom	Legal entity	
Mr. Fahad Suleiman Abalkhail	solutions by stc	Inside	Listed Joint Stock Company	Sehati	Inside	Limited Liability Company	
	Saudi Visa and Travel Solutions (TASHIR)	Inside	Limited Liability Company	Saudi Technology and Security Comprehensive Control Company (Tahakom)	Inside	Limited Liability Company	
	Saudi Visa and Travel Solutions Limited (Bangladesh)	Inside	Limited Liability Company	Ministry of Transport	Inside	Government	
	The Saudi International Company for Completion and Follow-up of Visa Procedures and Approvals for Embassies (Kuwait)	Inside	Limited Liability Company	Ministry of Foreign Affairs	Inside	Government	
	Saudi Company for Visa Solutions (Qatar)	Inside	Limited Liability Company				
	Saudi Electricity Project Development Company	Inside	Limited Liability Company				
	Mr. Fahad Adnan Almansour ²	solutions by stc	Inside	Listed Joint Stock Company	Zajil Holding	Inside	Closed Joint Stock Company
		Saudi Marafiq FM	Inside	Limited Liability Company	Ministry of Economy and Planning	Inside	Government
		AREIC REIT	Inside	Listed Joint Stock Company	Kadi Group Holding	Inside	Closed Joint Stock Company
		United Electronics Company (eXtra)	Inside	Listed Joint Stock Company	Zajil Express	Inside	Limited Liability Company
NAPCO National Company		Inside	Closed Joint Stock Company	Ernst & Young	Inside	Limited Liability Company	
ARCAPITA		Inside	Closed Joint Stock Company				
AREIC RED		Inside	Limited Liability Company				
Zajil Holding		Inside	Closed Joint Stock Company				
Mr. Ali Abdullah Alharbi ²	solutions by stc	Inside	Listed Joint Stock Company	Bahri (The National Shipping Co. of Saudi Arabia)	Inside	Listed Joint Stock Company	
	Digital Infrastructure Investment Company	Inside	Simplified Joint Stock Company	Obeikan Investment Group	Inside	Limited Liability Company	
	General Cloud Computing Company for Information Technology	Inside	Limited Liability Company	stc	Inside	Listed Joint Stock Company	

Board of Directors continued

Member name	Names of companies in which a Board member is a member of their current board or a manager	Inside/ outside the Kingdom	Legal entity	Names of companies in which a Board member is a member of their previous board or a manager	Inside/ outside the Kingdom	Legal entity
	Aqalat Al-Aqariya Limited Company	Inside	Limited Liability Company	Institute of Public Administration	Inside	Government
	Smart Zone Real Estate Company	Inside	Limited Liability Company			
	stc	Inside	Listed Joint Stock Company			
Mr. Motaz Ali Alangari ²	solutions by stc	Inside	Listed Joint Stock Company	Banque Saudi Fransi	Inside	Listed Joint Stock Company
	Digital Infrastructure Company	Inside	Listed Joint Stock Company	Morgan Stanley Saudi Arabia	Inside	Listed Joint Stock Company
	Jokey Club of Saudi Arabia	Inside	Government	Samba Capital	Inside	Limited Liability Company
	PIF Confidential Company	Inside	Limited Liability Company	Samba Financial Group	Inside	Listed Joint Stock Company
	stc bank	Inside	Closed Joint Stock Company	National Commercial Bank	Inside	Listed Joint Stock Company
	stc	Inside	Listed Joint Stock Company	Alibaba Cloud	Inside	Limited Liability Company

¹ Membership ended with the conclusion of the previous Board of Directors' term (No. 1) on 21 December 2025.

² Elected by the Company's General Assembly convened on 3 December 2025 for the new Board term (No. 2), which commenced on 22 December 2025 and will last for 4 calendar years, ending on 21 December 2029.

Board of Directors meetings and the attendance record of each meeting held during the year ending 31 December 2025

	Name	Meetings				
		1st meeting (16 Feb 2025)	2nd meeting (19 May 2025)	3rd meeting (14 Sep 2025)	4th meeting (8 Dec 2025)	5th meeting (24 Dec 2025)
1	Mr. Riyadh Muawad	Attended	Attended	Attended	Attended	Attended
2	Mr. Haithem AlFaraj	Attended	Attended	Attended	Attended	Attended
3	Mr. Emad Al Aoudah ¹	Attended	Attended	Attended	Attended	N/A
4	Mr. Omar AlShabibi ¹	Attended	Attended	Attended	Attended	N/A
5	Mr. Mathad AlAjmi	Attended	Attended	Attended	Attended	Attended
6	Mr. Mohammed AlAbbadi	Attended	Attended	Attended	Attended	Attended
7	Mr. Mohammad Alaseeri ¹	Attended	Attended	Attended	Attended	N/A
8	Mr. Abdullatif Al-Seif	Attended	Attended	Attended	Attended	Attended
9	Mr. Fahad Abalkhail	Attended	Attended	Attended	Attended	Attended
10	Mr. Fahad Adnan Al Mansour ²	N/A	N/A	N/A	N/A	Attended
11	Mr. Ali Abdullah Alharbi ²	N/A	N/A	N/A	N/A	Attended
12	Mr. Motaz Ali Alangari ²	N/A	N/A	N/A	N/A	Attended

¹ Membership ended with the conclusion of the previous Board of Directors' term (No. 1) on 21 December 2025.

² Elected by the Company's General Assembly convened on 3 December 2025 for the new Board term (No. 2), which commenced on 22 December 2025 and will last for 4 calendar years, ending on 21 December 2029.

General Assembly meetings held during the fiscal year ending 31 December 2025 and attendance of Board members

	Name	Meetings	
		1st meeting (6 May 2025)	2nd meeting (3 Dec 2025)
1	Mr. Riyadh Muawad	Attended	Attended
2	Mr. Haithem AlFaraj	Attended	Attended
3	Mr. Emad Al Aoudah ¹	-	-
4	Mr. Omar AlShabibi ¹	Attended	Attended
5	Mr. Mathad AlAjmi	Attended	Attended
6	Mr. Mohammed AlAbbadi	Attended	-
7	Mr. Mohammad Alaseeri ¹	Attended	Attended
8	Mr. Abdullatif Al-Seif	Attended	Attended
9	Mr. Fahad Abalkhail	Attended	Attended
10	Mr. Fahad Al Mansour ²	N/A	N/A
11	Mr. Ali Alharbi ²	N/A	N/A
12	Mr. Motaz Alangari ²	N/A	N/A

¹ Membership ended with the conclusion of the previous Board of Directors' term (No. 1) on 21 December 2025.

² Elected by the Company's General Assembly convened on 3 December 2025 for the new Board term (No. 2), which commenced on 22 December 2025 and will last for 4 calendar years, ending on 21 December 2029.

Procedures taken by the Board to inform its members, especially the Non-Executives, of shareholders' suggestions and remarks on the Company and its performance

The main objective of the Investor Relations (IR) Department is to act as a mediator between the Company, the investment community, and capital market regulators. solutions by stc aims to enable further accessibility between shareholders and various stakeholders within the Company through various methods. The IR Department is responsible for all communication with investors and shareholders, and periodically reports to the Board, providing an update about shareholder activities and remarks.

Stakeholders' views are of paramount importance to the Company and shareholder feedback is always considered and incorporated into departmental strategies for long-term value creation. solutions by stc ensures that it provides the maximum information possible to its investors, by providing access to various disclosures through the IR section of the website, and through quarterly disclosures, and annual reports.

During the year ending 31 December 2025, the Company did not receive any written proposals or notes from any of the shareholders.

Committee members

Committee members from outside the Board of Directors



Mr. Atef Helmy¹

- Current positions**
- **Member of the Investment Committee** - solutions by stc (membership ended on 21 December 2025)
 - **Chairman of the Board** - Prime Business Consulting
 - **Member of the Board** - National Bank of Egypt
 - **Founding Member, and President of the General Assembly** - Arab Digital Economy Federation
 - **Chairman of the Advisory Board** - Arab Digital Economy Federation
 - **Founding Member** - Egypt Fintech Association
 - **Vice Chairman of the Advisory Counsel** - Africa Information and Communication Technologies Alliance (AfICTA)
 - **Honorary Chairman of the Board** - Africa Information and Communication Technologies Alliance (AfICTA)
 - **Honorary Member of the Board** - American Chamber of Commerce
 - **Member of the High Level Committee** - Suez Canal Authority
 - **Member of the Board of Trustees** - Beit El Zakat (Egypt House of Alms & Charity)
 - **Member of the Board** - Technology City

- Previous positions**
- **Egyptian Minister of ICT**
 - **Managing Director** - NCR UAE
 - **Managing Director** - Oracle Egypt
 - **Chairman of the Board** - Orange Egypt
 - **Chairman of the Board** - Chamber of ICT
 - **Served in the Egyptian Military Force in the field of communications and information technology**
 - **Senior Advisor** - Orange MEA
 - **Ambassador** - Orange to Smart Africa
 - **Member of the Board** - SAMENA
 - **Member of the Board** - Al Mohandes Insurance
 - **Member of the Board** - Al Hayat Insurance
- Qualifications**
- **Diploma in Computer Science**
 - **Bachelor's degree in Communication and Electrical Engineering** - Military Technical College, Egypt
 - **Master's degree in Information Technology**
- Experience**
- More than 42 years of experience in:**
- Communications
 - Information Technology

Mr. Abdullah Alanizi

- Current positions**
- **Member of the Audit Committee** - solutions by stc
 - **Group Chief Internal Audit Officer** - stc Group
- Previous positions**
- **Held the following positions at stc Group:**
 - General Manager of Network and Information Systems Audit
 - General Manager of Investment and Operational Audit
- Qualifications**
- **Bachelor's degree in Information Systems** - College of Computer and Information Sciences, King Saud University, KSA
 - **Executive Masters of Business Administration** - King Fahd University of Petroleum & Minerals, KSA
 - **Obtained several professional certificates:** CIA, CISA, CFE, and CRMA
- Experience**
- 29 years of experience in:**
- Audit Committee's and Internal Audit
 - Governance and Risk Management
 - Information Technology and Cybersecurity

Mr. Fahad Alghamdi²

- Current positions**
- **Member of the Nomination and Remuneration Committee** - solutions by stc (membership ended on 21 December 2025)
 - **Member of the Nomination and Remuneration Committee** - Aqalat by stc
 - **Member of the Nomination and Remuneration Committee** - Banan Real Estate Company
 - **Member of the Nomination and Remuneration Committee** - The Strategy Office for Developing Al Baha Region
 - **HR Business Partner Vice President** - stc
- Previous positions**
- **Held the following positions at stc:**
 - General Manager of stc Business Units
 - Member of the Executive Committee - specialized by stc
 - General Manager of HR Planning and Organizational Development
 - Director of Workforce Planning
 - Manager of Customer Relationship Management in HR, Shared Services
 - HR Specialist of Rewards and Performance Management
 - **Held the following positions at Samba Financial Group:**
 - Account Manager of Corporate Services Unit
 - Group Customer Services Unit of Key Accounts
- Qualifications**
- **Bachelor's degree in Marketing** - King Fahd University of Petroleum & Minerals, KSA
 - **Advanced Human Resource Executive Program** - Stephen M. Ross School of Business, University of Michigan, USA
- Experience**
- More than 25 years of HR experience in:**
- Information and Communication Technology (ICT)
 - Finance

¹Membership on the Investment Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

²Membership on the Nomination and Remuneration Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

Committee members continued

Committee members from outside the Board of Directors



Mr. Ahmad Musfer Alghamdi³

Current positions

- **Member of the Nomination and Remuneration Committee** - solutions by stc (since 24 December 2025)
- **Member of the Nomination and Remuneration Committee** - Acwa Power Company
- **Member of the Nomination and Remuneration Committee** - GOSI
- **Member of the Board** - channels by stc
- **Member of the Executive Committee** - channels by stc
- **Member of the Nomination and Remuneration Committee** - Economic Cities Authority
- **Member of the Nomination and Remuneration Committee** - First Milling Company
- **Member of the Nomination and Remuneration Committee** - SPIMACO Addwaeih
- **Member of the Nomination and Remuneration Committee** - Saudi Military Industries (SAMI)

Previous positions

- **Member of the Nomination and Remuneration Committee** - channels by stc
- **Chairman of the Board** - upsource by solutions
- **Chairman of the Nomination and Remuneration Committee** - upsource by solutions

Qualifications

- **Bachelor's degree in Industrial Systems Engineering** – King Fahd University of Petroleum & Minerals, 2004, KSA
- **Executive Master's in Business Administration** - University of Hull, USA

Experience

- More than 21 years of experience in:**
- HR domain of public and private companies



Mr. Hisham Attar⁴

Current positions

- **Managing Director and Member of the Investment Committee** - Taqnia Company
- **Member of the Compliance Committee and the Strategy Committee** - Arab Bank, Jordan
- **Chairman of the Board and the Nomination and Remuneration Committee** - Saudi Jordanian Investment Fund
- **Member of the Board and the Executive Committee** - KC AGRO

Previous positions

- **Chairman of the Board and member of the Nomination and Remuneration Committee** - Halal Product Development Company
- **Member of the Board and Chairman of the Nomination and Remuneration Committee** – Zain, KSA
- **Member of the Executive Committee and the Mergers and Acquisitions Committee** - Saudi Arabian Military Industries (SAMI)

- **Member of the Board and the Executive Committee** - Saudi Industrial Investment Company (DUSSUR)
- **Member of the Board and the Executive Committee** - TAQA
- **Member of the Board and member of the Executive, Audit, and Nomination and Remuneration Committees** - Sports Clubs Company

Qualifications

Bachelor's degree in Business Economics and Public Private Sector Organizations - Brown University, Providence, RI

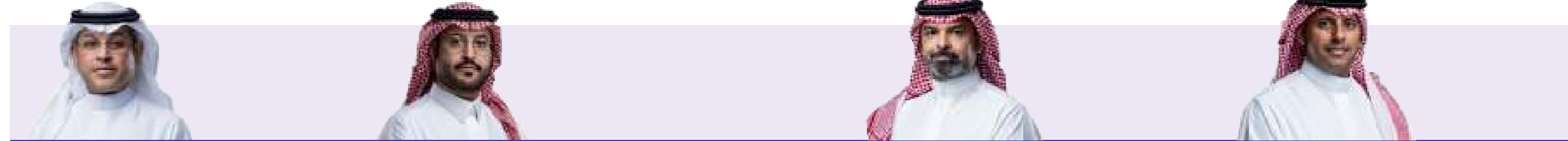
Experience

- More than 18 years of experience in:**
- Investment

³Joined the Nomination and Remuneration Committee with effect from 24 December 2025.

⁴Joined the Investment Committee with effect from 8 January 2026

Executive Management



Eng. Omer Abdullah Alnomany	Mr. Abdulrahman Hamad Alrubaia	Eng. Saleh Abdullah Alzahrani	Mr. Yousef Abdulrahman AlMarshad
<p>Current positions Chief Executive Officer (solutions by stc) upsource</p> <ul style="list-style-type: none"> Chairman of the Board Chairman of the Executive Committee Chairman of the Nomination and Remuneration Committee <p>Giza Systems</p> <ul style="list-style-type: none"> Chairman of the Board Chairman of the Executive Committee <p>Devoteam Vice Chairman of the Board</p> <p>Capital Market Authority Member of the Advisory Committee</p> <p>Previous positions</p> <ul style="list-style-type: none"> Vice President of Information Technology - stc Member of the Board - stc Kuwait Member of the Board - stc bank Member of the Board - channels by stc Member of the Board - Intigral Member of the Board - solutions by stc Member of the Executive Committee - solutions by stc <p>Qualifications</p> <ul style="list-style-type: none"> Bachelor's degree in Computer Engineering, King Saud University, KSA (1994) Senior Executive Leadership Program - Harvard University, USA (2021) <p>Experience 32 years</p>	<p>Current positions Chief Financial Officer (solutions by stc) upsource</p> <p>Member of the Audit Committee</p> <p>Giza Systems</p> <ul style="list-style-type: none"> Chairman of the Audit Committee Member of the Board Member of the Executive Committee <p>Samama Holding Company</p> <ul style="list-style-type: none"> Member of the Board Member of the Audit Committee <p>Yaqeen Capital</p> <ul style="list-style-type: none"> Member of the Board Member of the Audit Committee <p>Previous positions Vice President of the Finance Sector - solutions by stc</p> <p>Qualifications Bachelor's degree in Accountancy - King Saud University, KSA (2003)</p> <p>Experience 22 years</p>	<p>Current positions Chief Technology Officer (solutions by stc) Giza Systems</p> <ul style="list-style-type: none"> Chairman of the Nomination and Remuneration Committee Member of the Board <p>Previous positions Vice President of Solutions Delivery - solutions by stc</p> <p>Qualifications</p> <ul style="list-style-type: none"> Bachelor's degree in Computer Engineering - King Saud University, KSA (1994) Senior Executive Leadership Program (Executive Leadership) - Harvard Business School (2021) Leading from the Chair - INSEAD, 2025 Diploma in Education, Board of Directors, IMD 2024 <p>Experience 32 years</p>	<p>Current positions Chief Commercial Officer (solutions by stc) Devoteam</p> <p>Member of the Board</p> <p>Previous positions General Manager of Government Sales - solutions by stc</p> <p>Qualifications</p> <ul style="list-style-type: none"> Master's degree in Project Management / Information Technology - Marymount University, USA (2011) Bachelor's degree in Finance - University of Denver, Daniels College of Business, USA (2008) Leading Digital and AI Transformation - IMD, 2025 <p>Experience 20 years</p>

Executive Management continued



Mr. Ahmed Naji Bajnaid

Current positions

Chief Governance Officer (solutions by stc)

Upsource

Member of the Audit Committee

Giza Systems

Member of the Audit Committee

Previous positions

Vice President of Operations and Managed Services - solutions by stc

Qualifications

- Master of Business Administration - King Abdulaziz University, KSA (2022)
- Bachelor's degree in Computer Engineering - King Abdulaziz University, KSA (2002)
- Senior Executive Leadership Program - Harvard Business School (2023)
- Leading AI and Digital Transformation - INSEAD

Experience

22 years



Mr. Maher Salem Althiyabi

Current positions

Chief Strategy Officer (solutions by stc)

upsource

- Member of the Board
- Member of the Executive Committee

Giza Systems

- Member of the Board
- Member of the Executive Committee

Previous positions

General Manager of Corporate Finance - solutions by stc

Qualifications

- Bachelor's degree in Finance - Abu Dhabi University, UAE (2010)
- Master of Business Administration - Prince Mohammed Bin Salman College of Business and Entrepreneurship, KSA (2024)
- Next Generation Digital Strategy - London Business School, 2025

Experience

15 years



Mr. Abdullah Turki Alotaibi

Current positions

Chief Business Diversification Officer (solutions by stc)

Previous positions

General Manager of Presales - solutions by stc

Qualifications

- Bachelor's degree in Information Systems - King Saud University, KSA (2007)
- Master of Business Administration - Bayes Business School (2021)
- Project and Infrastructure Finance - London Business School, 2025

Experience

18 years



Mr. Rajeh Saad AlBogamy

Current positions

Chief Audit Officer (solutions by stc)

upsource

Member of the Audit Committee

Giza Systems

Member of the Audit Committee

Previous positions

General Manager of Business and Technology Audit - solutions by stc

Qualifications

- Diploma in Education, Board of Directors, IMD 2024
- Master's degree in Project Management - George Washington University School of Business, USA (2011)
- Master's degree in IT E-Commerce/Electronics Commerce - Queensland University of Technology, Australia (2008)
- Strategy for C-Suite - HEC Paris, 2025

Experience

24 years

Executive Management continued



Eng. Emad Faisal Almutairi

Current positions

Chief People and Corporate Services Officer (solutions by stc)

Giza Systems

Member of the Nomination and Remuneration Committee

Previous positions

General Manager of People - solutions by stc

Qualifications

- Executive Master of Business Administration, King Saud University, KSA (2024)
- Bachelor's degree in Technical Engineering - College of Telecom and Information, KSA (2018)
- Chief Human Resources Officer Program - Cambridge Judge Business School, UK (2025)
- Digital and AI Transformation for Boards – IMD, 2025

Experience

17 years

Board committees

In accordance with the Corporate Governance Regulations issued by the CMA and the Companies Law, the Company has prepared a charter for the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and the Investment Committee, as these charters include the rules for the members of the committee, their term of membership, and their duties. All these charters and regulations were approved by the Board of Directors and the General Assembly of shareholders, as per the Company's Bylaws. solutions by stc have 4 committees as follows:



Audit Committee

The Audit Committee consists of 4 members who were appointed by a resolution of the Board of Directors on 24 December 2025, and their term will end at the conclusion of the Board's term on 21 December 2029.

The duties and responsibilities of this Committee include the oversight of the internal audit tasks and reports, the implementation of corrective measures for the observations contained therein, recommending to the Board of Directors the appointment of the Company's external auditor and propose his scope of work and annual fees, and reviewing the Company's interim and annual financial statements before submitting them to the Board of Directors.

The Committee's responsibilities also include evaluating and ensuring that an effective internal control system is in place and prepared on a sound basis, and reviewing corporate governance reports, compliance, and risk management.

During the year, the Audit Committee reviewed the quarterly financial statements and the annual financial statements and recommended the approval of the Board of Directors. The Committee met with the external auditor to ensure that the financial statements have been prepared in accordance with the accounting standards and that there are no material observations on the financial statements. The Audit Committee also discussed the internal auditors' report, which did not contain material observations.

Board committees continued

The Audit Committee held 5 meetings during the year 2025, as shown in the following table:

Name	Nature of membership	Meetings				
		1st meeting (16 Feb 2025)	2nd meeting (17 Mar 2025)	3rd meeting (24 Apr 2025)	4th meeting (24 Jul 2025)	5th meeting (28 Oct 2025)
1 Mr. Abdullatif Al-Seif	Chairman	Attended	Attended	Attended	Attended	Attended
2 Mr. Mathad AlAjmi	Member	Attended	Attended	Attended	Attended	Attended
3 Mr. Omar AlShabibi ¹	Member	Attended	-	Attended	Attended	Attended
4 Mr. Abdullah Alanizi	Member	Attended	Attended	Attended	Attended	Attended
5 Mr. Ali Abdullah Alharbi ²	Member	N/A	N/A	N/A	N/A	N/A

¹ Membership on the Audit Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

² Joined the Audit Committee for Board term No. (2) on 24 December 2025.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 4 members who were appointed by a resolution of the Board of Directors on 24 December 2025, and their term will end at the conclusion of the Board's term on 21 December 2029.

The main purpose of this Committee is to make recommendations to the Board of Directors with regard to nominations to the membership of the Board, its sub-committees and Executive Management in accordance with the approved policies and standards. Undertaking the annual review of the skill requirements for the Board of Directors; preparing the description of skills and qualifications required for Board membership, including determination of the time that the Board member should dedicate to the business of the Board, and make recommendations concerning changes that can be made. The Committee also reviews the structure and formation of the Board,

makes recommendations concerning changes that can be made and identifies the weaknesses and strengths of the Board with recommendations on how to address them to serve the interests of the Company. On an annual basis, the Committee ensures the independence of the independent members and that there are no conflicts of interest if the member holds membership on the Board of Directors of another company and evaluates the performance of Board members and the members of its committees. It develops clear policies for the compensation and remuneration of Board members and Senior Executives, taking into consideration performance-related standards. Lastly, the Committee prepares periodic and annual reports on the Committee's activities and the annual disclosure report according to the Bylaws. These reports are presented to the Board of Directors. The Committee is also responsible for assisting the Board of Directors in developing and reviewing the organizational structure of the Company.

The Nomination and Remuneration Committee held 5 meetings during the year 2025, as shown in the following table:

Name	Nature of membership	Meetings				
		1st meeting (16 Feb 2025)	2nd meeting (28 May 2025)	3rd meeting (2 Sep 2025)	4th meeting (1 Dec 2025)	5th meeting (4 Dec 2025)
1 Mr. Fahad Abalkhail	Chairman	Attended	Attended	Attended	Attended	Attended
2 Mr. Fahad Alghamdi ¹	Member	Attended	Attended	Attended	Attended	Attended
3 Mr. Omar AlShabibi ¹	Member	Attended	Attended	Attended	Attended	Attended
4 Mr. Mohammed AlAbbadi	Member	Attended	Attended	Attended	Attended	Attended
5 Mr. Mathad Alajmi ²	Member	N/A	N/A	N/A	N/A	N/A
6 Mr. Ahmad Alghamdi ²	Member	N/A	N/A	N/A	N/A	N/A

¹ Membership on the Nomination and Remuneration Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

² Joined the Nomination and Remuneration Committee for Board term No. (2) on 24 December 2025.

Executive Committee

The Executive Committee consists of 5 members who were appointed by a resolution of the Board of Directors on 24 December 2025, and their term will end at the conclusion of the Board's term on 21 December 2029.

The Company's Executive Committee was appointed by the Board of Directors to exercise all functions entrusted thereto and reports to and maintains direct communication channels with the Board of Directors. Pursuant to the relevant laws and regulations, the responsibilities of the Executive Committee include the following:

- Engaging in and supervising the development of the Company's strategic plan and evaluating the proposals submitted by the Executive Management on the Company's vision, mission, strategic themes, goals, and strategic and financial initiatives, and submitting them to the Board for approval
- Overseeing the preparation of the Company's annual budget, reviewing proposals submitted by the Executive Management, and submitting recommendations to the Board on the approval of the annual budget
- Reviewing the financial and strategic performance reports related to monitoring the implementation of strategic plans and initiatives and submitting its recommendations to the Board
- Examining strategic and important issues and projects with a significant financial impact and submitting them to the Board for approval
- Reviewing the Corporate Social Responsibility Policy, media plan, and sports sponsorships, and submitting its recommendations to the Board
- Reviewing programs for social work initiatives and submitting its recommendations to the Board

The Executive Committee held 4 meetings during the year 2025, as shown in the following table:

Name	Nature of membership	Meetings			
		1st meeting (15 May 2025)	2nd meeting (3 Sep 2025)	3rd meeting (5 Nov 2025)	4th meeting (3 Dec 2025)
1 Mr. Riyadh Muawad	Chairman	Attended	Attended	Attended	Attended
2 Mr. Haithem AlFaraj	Member	Attended	Attended	Attended	Attended
3 Mr. Mohammad Alaseeri ¹	Member	Attended	Attended	Attended	Attended
4 Mr. Emad Al Aoudah ¹	Member	Attended	Attended	Attended	Attended
5 Mr. Mohammed AlAbbadi	Member	Attended	-	-	Attended
6 Mr. Fahad Abalkhail ²	Member	N/A	N/A	N/A	N/A
7 Mr. Fahad Almansour ²	Member	N/A	N/A	N/A	N/A

¹ Membership on the Executive Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

² Joined the Executive Committee for Board term No. (2) on 24 December 2025.

Board committees continued

Investment Committee

The Investment Committee consists of 5 members who were appointed by a resolution of the Board of Directors on 24 December 2025, and their term will end at the conclusion of the Board's term on 21 December 2029.

The Committee shall carry out all the assigned mandates, submit its recommendations to the Board, and shall maintain channels of direct communication with the Board. The Committee's mandates shall be as per the relevant laws and regulations as follows:

- Approving, endorsing, and reviewing the investment opportunities, mergers, acquisitions, joint ventures, or liquidations, all in accordance with the Company's existing delegation of authority matrices
- Studying the Company's assets, developing an investment strategy along with directives and related policies, and submitting the same to the Board for approval
- Reviewing performance assessments and work progress on a regular basis for the plans approved by the Boards of Directors of subsidiaries and providing the relevant recommendations to the Board
- Approving and endorsing the financing structure (to provide funds for business activities, making purchases or investing etc.) for investment transactions and relevant policies, and submitting same to the Board for approval
- Directly supervising the Company's domestic and overseas investments
- Ensuring the integrity of the investment process including any enhancement, setting relevant controls for protecting the Company's interests and fully supervising the stages of acquisition/merger related to any investment opportunity
- Providing recommendations to the Board regarding the exit from or liquidation of a current investment
- Reviewing the integration and synergy performance reports for subsidiaries

The Investment Committee held 2 meetings during the year 2025, as shown in the following table:

Name	Nature of membership	Meetings	
		1st meeting (9 Jul 2025)	2nd meeting (29 Dec 2025)
1 Mr. Riyadh Muawad	Chairman	Attended	Attended
2 Mr. Fahad Abalkhail ¹	Member	Attended	N/A
3 Mr. Motaz Ali Alangari	Member	Attended	Attended
4 Mr. Atef Helmy ¹	Member	Attended	N/A
5 Mr. Ali Alharbi ²	Member	N/A	Attended
6 Mr. Fahad Al Mansour ²	Member	N/A	Attended
7 Mr. Hisham Attar ³	Member	N/A	N/A

¹Membership on the Investment Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

²Joined the Investment Committee for Board term No. (2) on 24 December 2025.

³Joined the Investment Committee for Board term No. (2) on 8 January 2026.

Disclosure of the Nomination and Remuneration Policy

For members of the Board, Committees, and Executive Management which was approved by the General Assembly

1. Board and Committee members' remuneration

- 1.1 Based on a recommendation from the Nomination and Remuneration Committee to the Board of Directors determines the compensation for the Chairman of the Board and the Board members. The compensation should be reasonably sufficient to attract qualified and experienced Board members, as well as to incentivize and retain them. The Board may determine a remuneration for members/member of the Board for their membership on the Board's standing committees.
- 1.2 A Board member's remuneration for Board duties consists of a fixed amount and an attendance fee for the meetings.
- 1.3 The Chairman of the Board receives a fixed annual amount of 375,000 for their role as Chairman.
- 1.4 Each Board member receives a fixed annual amount of 300,000 for their membership on the Board.
- 1.5 The Chairman and members of the Audit Committee receive a fixed annual amount of 100,000, whether they hold a Board membership or not.
- 1.6 Each external Committee member receives a fixed annual amount of 60,000 for their committee membership, except for the Audit Committee.
- 1.7 Each member, whether on the Board of Directors or on its committees, receives an attendance fee of 5,000 per meeting.
- 1.8 The Board may set compensation for Board members for their participation in the permanent committees established by the Board.
- 1.9 The compensation received by a Board member should be fair and commensurate with the member's responsibilities, duties, and the work they undertake. It should also align with the objectives set by the Board to be achieved during the fiscal year.

- 1.10 The remuneration shall be proportioned with the number of meetings that the member attends.
- 1.11 The remuneration of the members of the Board and its standing committees shall be in accordance with the relevant laws and regulations.
- 1.12 The compensation for Board members and Committee members is paid annually, directly after the annual financial statements are published on the Tadawul website.
- 1.13 Attendance fees for Board and committee meetings are paid after each meeting, or on a quarterly, semi-annual, or annual basis, along with the annual compensation.
- 1.14 The remuneration of independent Board members shall not be a percentage of the profits that are realized by the Company, nor shall it be based directly or indirectly on the Company's profitability.

2. Non-entitlement to remuneration and obligation to return it

- 2.1 If the General Assembly decides to terminate the membership of a Board member due to their absence from 3 consecutive meetings or 5 separate meetings during their term without a valid excuse accepted by the Board, the member is not entitled to any compensation for the period following their last attended meeting. The member must return all compensation received for that period.

3. Payment of remuneration based on incorrect or misleading information

- 3.1 If the Audit Committee or the CMA determines that the compensation paid to any Board member was based on incorrect or misleading information presented to the General Assembly or included in the Board's Annual Report, the member must return it to the Company. The Company has the right to demand its return.

Disclosure of the Nomination and Remuneration Policy continued

Board members' remuneration

Members of the Board of Directors	Fixed remunerations						Variable remunerations						Grand total (S\$)	Expense allowances
	Specific amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind benefits	Remuneration for technical managerial and consultative work	Remuneration of the Chairman Managing Director or Secretary, if a member	Total (S\$)	Percentage of the profits	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares		
First: Independent members														
Mr. Fahad Abalkhail	300,000	25,000				325,000								325,000
Mr. Abdullatif Al-Seif	300,000	25,000				325,000								325,000
Mr. Mohammad Alaseeri ¹	291,780.82	20,000				311,780.82								311,780.82
Mr. Fahad Almansour ²	8,219.18	5,000				13,219.18								13,219.18
Total	900,000	75,000				975,000								975,000
Second: Non-Executive members														
Mr. Riyadh Muawad	375,000	25,000				400,000								400,000
Mr. Haithem AlFaraj	300,000	25,000				325,000								325,000
Mr. Emad Al Aoudah ¹	291,780.82	20,000				311,780.82								311,780.82
Mr. Mohammed AlAbbad	300,000	25,000				325,000								325,000
Mr. Mathad AlAjmi	300,000	25,000				325,000								325,000
Mr. Omar AlShabibi ¹	291,780.82	20,000				311,780.82								311,780.82
Mr. Motaz Alangari ²	8,219.18	5,000				13,219.18								13,219.18
Mr. Ali Alharbi ²	8,219.18	5,000				13,219.18								13,219.18
Total	1,875,000	150,000				2,025,000								2,025,000
Grand total	2,775,000	225,000				3,000,000								3,000,000

¹ Membership ended with the conclusion of the previous Board of Directors' term (No. 1) on 21 December 2025.

² Elected by the Company's General Assembly convened on 3 December 2025 for the new Board term (No. 2), which commences on 22 December 2025 and will last for 4 calendar years, ending on 21 December 2029.

Committee members' remuneration

Committee members	Fixed remuneration (except attending sessions)	Allowances for attending sessions	Total (S\$)
Audit Committee			
Mr. Abdullah Alanizi	100,000	25,000	125,000
Mr. Mathad AlAjmi ¹	100,000	25,000	125,000
Mr. Omar AlShabibi ²	97,260.27	20,000	117,260.27
Mr. Abdullatif Al-Seif	100,000	25,000	125,000
Mr. Ali Alharbi ³	2,191.78	-	2,191.78
Total	399,452	95,000	494,452
Nomination and Remuneration Committee			
Mr. Fahad Alghamdi ⁴	58,356.16	25,000	83,356.16
Mr. Mohammed AlAbbad	-	25,000	25,000
Mr. Fahad Abalkhail ⁵	-	25,000	25,000
Mr. Omar AlShabibi ²	-	25,000	25,000
Mr. Mathad Alajmi ¹	-	-	-
Mr. Ahmad Alghamdi ⁶	1,315.07	-	1,315.07
Total	59,671	100,000	159,671
Executive Committee			
Mr. Riyadh Muawad	-	20,000	20,000
Mr. Haitham AlFaraj	-	20,000	20,000
Mr. Mohammad Alaseeri ⁷	-	20,000	20,000
Mr. Emad Al Aoudah ⁸	-	20,000	20,000
Mr. Mohammed AlAbbad	-	10,000	10,000
Mr. Fahad Abalkhail ⁵	-	-	-
Mr. Fahad Al Mansour ⁹	-	-	-
Total	-	90,000	90,000
Investment Committee			
Mr. Riyadh Muawad	-	10,000	10,000
Mr. Fahad Abalkhail ⁵	-	5,000	5,000
Mr. Motaz Alangari ¹⁰	58,356.16	10,000	68,356.16
Mr. Atef Helmy ¹¹	58,356.16	5,000	63,356.16
Mr. Ali Alharbi ³	-	5,000	5,000
Mr. Fahad Al Mansour ⁹	-	5,000	5,000
Mr. Hisham Attar ¹²	-	-	-
Total	116,712	40,000	156,712

¹ Joined the Nomination and Remuneration Committee, in addition to his membership on the Audit Committee, for Board term No. (2) on 24 December 2025.

² Membership on the Board of Directors, the Audit Committee, and the Nomination and Remuneration Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

³ Joined the Board of Directors for Board term No. (2) on 22 December 2025. He subsequently joined the Audit Committee and the Investment Committee on 24 December 2025.

⁴ Membership on the Nomination and Remuneration Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

⁵ Membership on the Investment Committee ended at the conclusion of Board term No. (1) on 21 December 2025. He joined the Executive Committee, in addition to his continued membership on the Nomination and Remuneration Committee, for Board term No. (2) on 24 December 2025.

⁶ Joined the Nomination and Remuneration Committee for Board term No. (2) on 24 December 2025.

⁷ Membership on the Board of Directors and the Executive Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

⁸ Membership on the Board of Directors and the Executive Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

⁹ Joined the Board of Directors for Board term No. (2) on 22 December 2025. He subsequently joined the Executive Committee and the Investment Committee on 24 December 2025.

¹⁰ Joined the Board of Directors for Board term No. (2) on 22 December 2025. He subsequently joined the Investment Committee on 24 December 2025.

¹¹ Membership on the Investment Committee ended at the conclusion of Board term No. (1) on 21 December 2025.

¹² Joined the Investment Committee for Board term No. (2) on 8 January 2026.

Disclosure of the Nomination and Remuneration Policy continued

Senior Executives' remuneration

- The annual remuneration for the CEO shall be determined upon his/her achievement of the financial and strategic goals and other goals according to the Company's policies.
- The annual remuneration for the CEO shall be calculated after the publication of the financial statements according to the approved policy of the Company.
- The annual remuneration for the Executive Management shall be calculated according to the policy and the mechanism for the approved annual remuneration of the Company.
- The specified salaries and advantages for the Executive Management shall be determined to include (the base salary and advantages and allowances) according to the Executive Incentive Policy.

Remunerations of the top 5 Senior Executives (including the Chief Executive Officer and the Chief Financial Officer) in 2025

Senior Executives	Fixed remunerations						Variable remunerations					End of service rewards	Total remuneration for Executives on the Board	Grand total (S#)
	Salaries	Allowances	In kind benefits			Total (S#)	Periodic remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Total (S#)			
			Annual passage allowance	Education allowance	Training cost									
Total (S#)	14,359,702.98		1,143,252.77			15,502,955.75	-	-	12,391,374.12	5,588,809.60	17,980,183.72	-	-	33,483,139.47

Description of any interest, contractual securities, or rights issue of Board members and/or their relatives on the shares or debt instruments of the Company or its affiliates

Names of the persons of interest	Beginning of the year		End of the year		Net change	Change ratio
	Number of shares	Debt instruments	Number of shares	Debt instruments		
1 Mr. Riyadh Saeed Muawad	-	-	-	-	-	-
2 Mr. Haithem Mohammed AlFaraj	-	-	-	-	-	-
3 Mr. Emad Aoudah Al Aoudah ¹	4	-	4	-	-	-
4 Mr. Omar Abdulaziz AlShabibi ¹	-	-	-	-	-	-
5 Mr. Mathad Faisal AlAjmi	-	-	-	-	-	-
6 Mr. Mohammed Abdullah AlAbbadi	-	-	-	-	-	-
7 Mr. Mohammad Abdullah Alaseeri ¹	-	-	1	-	1	-
8 Mr. Abdullatif Ali Al-Seif	-	-	100	-	100	-
9 Mr. Fahad Suliman Abalkhail	-	-	3,367	-	3,367	-
10 Mr. Fahad Adnan Al Mansour ²	-	-	10	-	10	-
11 Mr. Ali Abdullah Alharbi ²	-	-	-	-	-	-
12 Mr. Motaz Ali Alangari ²	-	-	-	-	-	-

¹Membership ended with the conclusion of the previous Board of Directors' term (No. 1) on 21 December 2025.

²Elected by the Company's General Assembly convened on 3 December 2025 for the new Board term (No. 2), which commences on 22 December 2025 and will last for 4 calendar years, ending on 21 December 2029.

Description of any interest, contractual securities or rights issue of Senior Executives, and/or their relatives on the shares or debt instruments of the Company or its affiliates

Names of the persons of interest	Beginning of the year		End of the year		Net change	Change ratio
	Number of shares	Debt instruments	Number of shares	Debt instruments		
1 Mr.Omer Abdullah Alnomany	9,809	-	17,294	-	7,485	76%
2 Mr.Abdulrahman Hamad Alrubaia	1,965	-	5,344	-	3,379	172%
3 Mr.Saleh Abdullah Alzahrani	1,965	-	5,344	-	3,379	172%
4 Mr.Yousef Abdulrahman AlMarshad	833	-	642	-	(191)	(23%)
5 Mr.Ahmed Naji Bajnaid	1,875	-	5,115	-	3,240	173%
6 Mr.Maher Salem Althiyabi	193	-	631	-	438	227%
7 Mr.Abdullah Turki Alotaibi	194	-	669	-	475	245%
8 Mr.Rajeh Saad AlBogamy	-	-	1,600	-	1,600	-
9 Mr.Emad Faisal Almutairi	-	-	-	-	-	-

Adherence to corporate governance regulations issued by the Capital Market Authority

The Company implements all provisions set forth in the Corporate Governance Regulations issued by the CMA, except the following provisions:

Article no.	Article text	Implementation status	Justification
Article 67	Composition of the Risk Management Committee	Not implemented	A dedicated Risk Management Committee has not been established based on the optional article issued by the CMA. However, its main mandates were incorporated as part of the Audit Committee's responsibilities.
Article 68	Competencies of the Risk Management Committee	Not implemented	A dedicated Risk Management Committee has not been established based on the optional article issued by the CMA. However, its main mandates were incorporated as part of the Audit Committee's responsibilities.
Article 69	Meetings of the Risk Management Committee	Not implemented	A dedicated Risk Management Committee has not been established based on the optional article issued by the CMA. However, its main mandates were incorporated as part of the Audit Committee's responsibilities.
Article 92	Formation of a Corporate Governance Committee	Not implemented	A dedicated Corporate Governance Committee has not been established based on the optional article issued by the CMA. However, significant governance oversight mandates were incorporated as part of the Audit Committee's responsibilities.

At solutions by stc, we are committed to the highest standards of Corporate Governance, encompassing regulatory compliance, enterprise risk management, internal controls, and cybersecurity. These practices, aligned with industry-leading standards, applicable laws and regulations, and international certifications, foster a culture of integrity, ethics, and sustainable decision-making. By aligning governance with strategic priorities, we drive operational excellence, sustainable growth, and value creation for our shareholders, customers, employees, and society.

Mr. Ahmed Naji Bajnaid
Chief Governance Officer

Internal audit

Internal Audit in 2025

The Internal Audit Division at solutions by stc continued to play a pivotal role as an independent and objective assurance function, providing value-added services that strengthen governance, risk management, and internal control effectiveness. Through a systematic and disciplined approach, the division supported the Company in achieving its strategic objectives and maintaining a sound control environment across all business operations.

In 2025, the division successfully adopted the new Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA), reinforcing audit quality, consistency, and alignment with international best practices. Internal Audit also worked closely with subsidiary audit functions to ensure consistent implementation of the new standards across the Group, promoting alignment, collaboration, and a unified assurance framework.

During the year, the division executed its approved audit plan in accordance with the Audit Committee's directives, focusing on high-priority risks and strategic business areas. Alongside its assurance responsibilities, Internal Audit further expanded its advisory role, providing insight and support for transformation initiatives, operational improvements, and technology-driven projects.

A major milestone in 2025 was the continued advancement of the RISE Assurance Strategy implementation, which aims to reinforce audit capabilities, integrate assurance providers, scale audit coverage, and drive innovation. Progress was achieved across several key areas:

- **Strategic and combined assurance:** Strengthened collaboration among risk, compliance, and control functions through

a structured strategic assurance planning framework, enabling a more integrated and efficient assurance ecosystem

- **Digital assurance and technology enablement:** Expanded digital assurance services to enhance the efficiency of exception handling, improve communication and workflows, and strengthen audit execution through automation and data analytics
- **ESG assurance:** Defined Internal Audit's role in providing assurance over ESG activities, ensuring the reliability, transparency, and integrity of sustainability-related processes and reporting

To sustain excellence, the division maintains a comprehensive Quality Assurance and Improvement Program (QAIP) covering all audit activities and continues to assess the division's conformance and practices with GIAS, in addition to the constant investment in developing its talent base, focusing on analytics, ESG, and emerging risk domains. Throughout the year, Internal Audit maintained open and transparent communication with the Audit Committee, submitting periodic reports on audit plan progress, engagement outcomes, and on the overall state of the internal control environment.

In summary, 2025 was a year of continued progress and modernization for the Internal Audit Division, marked by the adoption of new global standards, enhanced Group alignment, expansion of advisory services, and measurable progress under the RISE Assurance Strategy. These advancements further strengthened solutions by stc's commitment to governance excellence, effective risk oversight, and sustainable value creation.

Internal control effectiveness in 2025

solutions by stc has a sound internal control system to ensure an effective internal control environment.

In 2025, the Audit Committee continued to play a critical role in overseeing governance, compliance, risk management, and both internal and external audit activities. Its key responsibility remained the ongoing evaluation of the adequacy and effectiveness of the Company's internal control system, ensuring that it provides reasonable assurance regarding the reliability of financial reporting, operational efficiency, and compliance with applicable laws and regulations.

Throughout the year, the Committee held periodic meetings to review financial statements, risk

management reports, Internal Audit results, and key operational topics including IT, procurement, and human resources. Executive Management and the Internal Audit team participated in these meetings, ensuring comprehensive discussions and effective oversight of the Company's internal control environment.

Following its reviews, the Audit Committee concluded that solutions by stc's internal control framework remained effective and reliable, providing reasonable assurance that the Company's systems and processes are functioning as intended without significant control deficiencies identified that could impact the integrity of financial statements or overall governance practices.

Information on risks facing the Company (operational, financial, or market related) and the policy of managing and monitoring these risks

Refer to page 56 for details on the risks facing the Company.

In 2025, we further strengthened Internal Audit's role as a strategic partner by advancing the new Global Internal Audit Standards and implementing the RISE Assurance Strategy, supporting stronger corporate governance and contributing to sustainable value creation for solutions by stc.

Mr. Rajeh Saad Albogamy
Chief Audit Officer

Affiliate companies

Affiliate companies includes subsidiaries and associates

Affiliate name ¹	Capital	Total number of shares	Company's ownership percentage	Main scope of business	Country of operation	Country of incorporation
stcs for IT ²	₪ 262,500 (USD 70,000)	1,000	100%	The principal activities of the subsidiary are concentrated in the IT and communication industry domain. The products of the subsidiary involve design and development of electronics and data centers, outsourcing activities, software, application and database development, technological education, and digitization activities.	Egypt	Egypt
Giza Systems	₪ 17,235,000 (EGP 90,000,000)	9,000,000	88.19%	Giza Systems, a leading systems integrator in the MEA region, designs and deploys industry-specific technology solutions for asset-intensive industries such as the telecommunications, utilities, oil and gas, hospitality, and real estate among other market sectors. Helping clients streamline their operations and businesses through its portfolio of solutions, managed services, and consultancy practice.	Egypt, Kingdom of Saudi Arabia, United Arab Emirates, Kenya, Tanzania, and Uganda	Egypt
upsource by solutions	₪ 4,500,000	450,000	100%	Business process outsourcing	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Devoteam Middle East	AED 300,000	300	40%	Digital consultancy and transformation services	Kingdom of Saudi Arabia, United Arab Emirates, and Jordan	United Arab Emirates
Amanah Tech	₪ 3,000,000	300,000	70%	The Company's activities include installation and maintenance of electrical and communication wiring, computer networks, installation and maintenance of lighting systems, automation of gates, software publishing, analysis of operating systems, user interface design, robotics, 3D printing, virtual reality technologies, and AI applications development.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Nawat Alittisalat Company	₪ 1,000,000	10	100%	The Company's activities include provision of wired internet services, satellite telecommunication services, short message services (SMS), data processing, website hosting, and related services.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

¹ Affiliate companies include subsidiaries and associates

² stcs for IT is under liquidation

Information on loans and statement of total indebtedness of the Company and its affiliates

List of loans received and paid during the year ended 31 December 2025, are as follows:

	Amount of principal debt (₪)	Loan term (years)	Amounts paid during the year	Remaining amount (₪)
(1) solutions by stc (Saudi National Bank)	500,000,000	5	-	500,000,000
(2) Subsidiaries (Saudi banks)	37,667,187	1	-	37,667,187
(3) Subsidiaries (International banks)	250,836,596	5	-	250,836,596

Dividend policy

The Company's Dividend Distribution Policy

As per the Article Number (45) of the Company's Bylaws, the annual net profits shall be distributed as follows:

- The Ordinary General Assembly may, at the proposal of the Board of Directors, set aside a percentage of the annual net profits to form voluntary reserve to be allocated towards the purpose (s) determined by the General Assembly.
- The Ordinary General Assembly may resolve to form other reserves to the extent they serve the Company's interests, or to ensure the distribution of fixed dividends, so far as possible, to the shareholders. The Ordinary General Assembly may also deduct amounts from the net profit to establish social institutions for the Company's employees or to provide aid to those already in place.
- The remaining amount shall be distributed to shareholders as established by the Company's regulations and policies.
- Subject to the provisions set forth in Article (21) of the Articles of Association and Article (76) of the Companies Law, the Company may, after that, allocate a percentage of the remaining dividends, if any, as remuneration for the Board of Directors, and such remuneration shall be proportionate to the number of meetings attended by each Board member.
- The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis, according to the controls set by the competent authority and based on a delegation issued by the Ordinary General Assembly of the Board of Directors to distribute interim dividends.

Dividend distributions

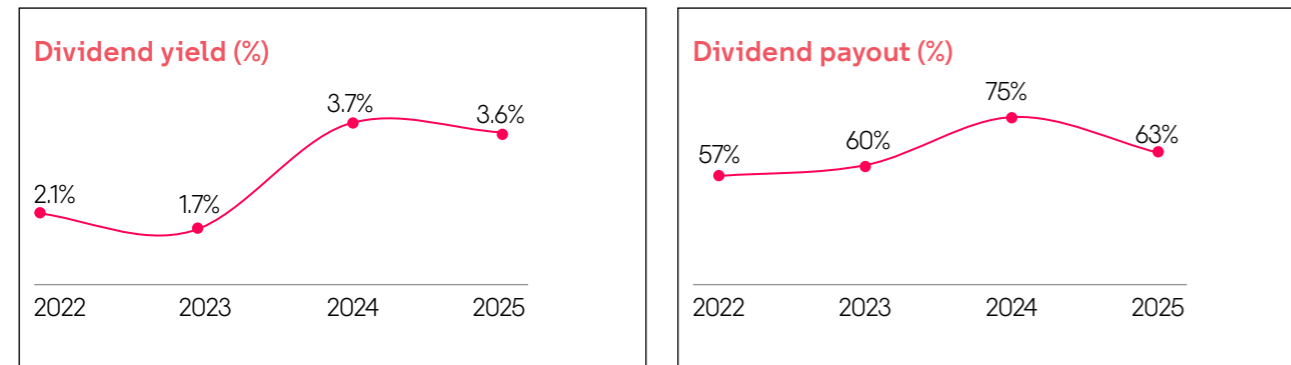
	2025 ¹	2024 ²	2023	2022	2021
Ratio (of paid-up capital)	80%	100%	60%	50%	40%
Total amount (₪ million)	953	1,190	714	595	475

¹ Subject to the approval of the General Assembly

² Includes special dividends distributed in that year

Dividend policy continued

Returns and dividends



Company ownership

Shareholder name	Number of shares at the beginning of the year	Ownership percentage at the beginning of the year	Number of shares at the end of the year	Ownership percentage at the end of the year	Share changes	Percentage change
stc	94,800,000	79.00%	94,800,000	79.00%	0	0.00%
solutions by stc's treasury shares	1,000,415	0.83%	959,148	0.80%	(41,267)	(4.12%)
Public	24,199,585	20.17%	24,240,852	20.20%	41,267	0.17%

Requests of the Company's shareholders registry

Number of the Company's requests of shareholders registry	Request date	Request reasons
1	2 January 2025	Internal Management use
2	4 February 2025	Internal Management use
3	2 March 2025	Internal Management use
4	7 April 2025	Internal Management use
5	24 April 2025	Internal Management use
6	1 May 2025	Internal Management use
7	2 June 2025	Internal Management use
8	1 July 2025	Internal Management use
9	4 August 2025	Internal Management use
10	2 September 2025	Internal Management use
11	2 October 2025	Internal Management use
12	4 November 2025	Internal Management use
13	3 December 2025	Internal Management use

Related party transactions

Transactions between the Company and any related party

	Name of related party	Type of related party	Contract / Agreement	Duration	Value (M)
1	center3	Related party	<ul style="list-style-type: none"> center3 will provide solutions with data center hosting services within the Kingdom of Saudi Arabia, enabling solutions to deliver cloud services and enhance its operational readiness in line with market requirements and customer needs 	5 years	261,864,900
2	stc	Parent company	<ul style="list-style-type: none"> Increase the capacity of internal network to accommodate the growth in the RAN services Establish an internal network infrastructure at 9 sites distributed across the Kingdom's 5 regions (Central, Eastern, Western, Northern, and Southern) with dedicated (DC-GW PE) to connect the LTE core setup to the IP/MPLS network Supply, install, integrate, and test services for equipment, tools, programs, and systems 	3 years	142,405,937.12
3	stc	Parent company	<ul style="list-style-type: none"> Infrastructure modernization through "Technical refresh" and enhancement of application infrastructure serving computing, engineered systems, storage, backup, and databases Execute Oracle Software license renewal project which includes the renewal of Oracle software licenses and its management 	5 years	651,748,080.51
4	stc	Parent company	<ul style="list-style-type: none"> Build a private cloud with the purpose of providing innovative cloud services with end-to-end architecture platform to integrate existing systems and applications with the new private cloud platform 	5 years	157,648,230.30
5	stc	Parent company	<ul style="list-style-type: none"> Fulfill business sector requirements with regards to internet network of stc, by installing data transfer devices Increase the capacity of internal and international network to accommodate growth in the 5G services Replace the old devices that are no longer supported by the suppliers Increase the capacity of the infrastructure for virtual broadband devices Establish an internet infrastructure in the new data centers in Khamsi Mushait City, Dammam City, Qassim Province, and North of Riyadh City Supply, install, integrate, and test services for equipment, tools, programs, and systems 	3 years	313,398,788.92
6	stc bank	Related party	<ul style="list-style-type: none"> Provide managed SMS service for stc bank 	2 years	131,000,000

In addition to the above, stc and its subsidiaries are engaged in establishing, managing, operating, and maintaining fixed and mobile telecommunication networks, systems, and infrastructure, providing integrated communication and IT solutions which include, among other things, (telecommunications, IT services, managed services, and cloud services), real estate investment such as selling, buying, leasing, managing, developing, and maintenance, providing financial and managerial support, and other services to subsidiaries, providing development, training, asset management, providing digital banking services, providing cybersecurity services and construction, maintenance, and repair of telecommunication and radar stations and towers, in addition to other business, as mentioned in activities of stc through joint contracts and agreements, which are considered businesses and services within stc Group.

Statutory payments

Zakat, taxes, fees, and other charges

Description	2025		Brief description
	Paid amount (ﷲ)	Outstanding amount until the end of the annual financial period (ﷲ)	
Zakat	96,657,402.36	-	- Zakat paid for 2024
Taxes	-	-	-
GOSI	87,328,786.34	8,180,412.29	Paid during the year
Visas and passport costs	868,276	-	- e.g. Visa issuance and renewal (exit and re-entry visas, final exit, etc.)
Labor Office fees	5,946,300	-	- e.g. Work permit, Iqama issuance/renewal, expat levy

Treasury shares

Treasury shares maintained by the Company

Number of treasury shares at the beginning of the year	Number of treasury shares maintained by the Company at the end of the year	Shares vested during the year	Utilization details
1,000,415	959,148	41,267 shares	Employee long-term incentive program

On 29 September 2021, solutions by stc purchased 1.2 million of its own shares from its parent company, stc, at a cost of ﷲ 151 per share, for a cash consideration of ﷲ 181 million. These shares are held by the Company as treasury shares in order to support its future employees' long-term incentive plans. This is to be done under different schemes and special terms and conditions that contribute towards attracting and retaining talent in addition to nurturing a healthy workplace culture.

solutions by stc utilized 41,267 shares from treasury shares in 2025. The vested shares in treasury records stem from the LTIP, which is designed to achieve several key objectives:

- Adopt global and regional practices, in addition to industry norms, in rewarding Executives

- Align Executive compensation with industry best practices
- Link Executive rewards to the Company's profitability, enabling them to share in the success they help create
- Recognize Executives' commitment and contribution
- Encourage leadership capabilities and sustainable practices for long-term growth
- Share the rewards of the Company's success and profitable performance with the Executives
- Align the interests of the Company's Executives with those of its shareholders

Clarifications

solutions by stc Management clarifications during the year 2025

1. There were no debt instruments issued by the Company.
2. No shares or debt instruments were issued for each affiliate company.
3. No convertible debt instruments, contractual securities, rights issues, or similar rights were issued or granted by the Company during the fiscal year.
4. The Company does not have any conversion or subscription rights under any convertible debt instrument, contractually based securities, warrants, or similar rights, both issued or granted.
5. There was no redemption, purchase, or cancellation by the Company of any redeemable debt instruments.
6. No shareholder of the Company has waived any rights to dividends.
7. No Board member or Senior Executive has waived any remunerations.
8. The Company complied with the disclosure of components of the Senior Executive's remuneration on aggregate, in line with the requirements of sub-paragraph (b) of paragraph (4) of Article (90) of the Corporate Governance Regulations issued by the CMA. However, to protect the interests of the Company, its shareholders, and employees, and to avoid any damage that may occur as a result of disclosing the detailed Senior Executives' remuneration by position, the Company did not disclose the details as per Appendix (1) of the Corporate Governance Regulations.
9. Consolidated financial statements were prepared in accordance with international financial standards and in accordance with the Company's Bylaws and Articles of Association with respect to the preparation and publishing of financial statements.
10. There were no differences from the standards approved by the Saudi Organization for Certified Public Accountants (SOCPA), which are the IFRS's standards.
11. The external auditor's report doesn't contain any reservations on the relevant annual financial statements.
12. There were no arrangements or recommendations by the Board to change the Company's external auditor before the end of the term for which it is appointed.
13. There was no recommendation to appoint a new internal auditor, as the Internal Audit Division continues to operate effectively in line with governance and regulatory requirements.
14. No contradictions arose between the Audit Committee and the Board of Directors regarding the appointment, dismissal, or evaluation of the Company's auditor, the determination of auditor fees, or the appointment of the internal auditor. All related matters were duly reviewed and approved by the Board.
15. No investments or reserves were made or set up for the benefit of the employees of the Company.

Clarifications continued

16. According to Article 85 of Rules on the Offer of Securities and Continuing Obligations, the Company has not been informed of any interest in voting rights shares owned by any person (other than Board members and Senior Executives and their relatives).
17. There were no comments received by the shareholders regarding the Company and its performance.
18. No Board member has any competing business with the Company or any of the activities practiced by the Company.
19. No instance of sanctions, penalties, preventive measures, or precautionary restrictions were imposed on the Company during the year.
20. During 2025 the Company has not conducted any business or contract in which there was a substantial interest from the members of the Board of Directors and Executive Management, or any person related to any of them.

The Board of Directors' declarations include the following:

- Records of accounts have been properly and precisely prepared
- Internal control system is built on a sound basis and is effectively implemented
- There were no significant doubts concerning the Company's ability to continue carrying out its business.

Conclusion

After thanking Allah Almighty, the Board of Directors would like to thank the Custodian of the Two Holy Mosques King Salman Bin Abdulaziz Al Saud, HRH

Crown Prince Mohammed Bin Salman Bin Abdulaziz Al Saud, and the government for support extended to the Company in its progress and growth trajectory. The Board also expresses gratitude to solutions by stc's clients and shareholders for their trust and to

the Company's employees for their commitment and dedication, which have contributed to solutions by stc's successes. The Board confirms its commitment to innovation and excellence in developing services that exceed expectations of clients, realize shareholders' aspirations, achieve the Kingdom of Saudi Arabia's development objectives, and sustain the leadership position of solutions by stc in the region's Information Technology sector.

Financial statements



By pairing operational rigor with strategic ambition, solutions by stc continued shaping intelligent possibilities while delivering sustainable financial outcomes.



Deloitte and Touche & Co.
Chartered Accountants
 (Professional Simplified Joint Stock Company)
 Paid-up capital ٥,000,000
 Metro Boulevard – Al-Aqiq
 King Abdullah Financial District
 P.O. Box 213 - Riyadh 11411
 Kingdom of Saudi Arabia
 C.R. No. 1010600030

Tel: +966 11 5089001
www.deloitte.com



Deloitte and Touche & Co.
Chartered Accountants

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>1. Revenue recognition</p> <p>The Group reported revenue of SAR 12.7 billion for the year ended 31 December 2025.</p> <p>Contract assets are carried in the consolidated statement of financial position at SAR 3.0 billion. Contract assets represents revenue which has been earned but not yet billed to customers. The Group uses IT systems to handle customer billing and to record revenue.</p> <p>The Group’s revenue consists primarily of Core ICT Services, IT Managed and Operational Services and Digital Services. Revenue from the sale of goods is recognized when the goods are delivered to the customer. Revenue from the rendering of services is recognized over the period that the service is rendered.</p> <p>Revenue is a critical performance indicator for the Group and is subject to a heightened risk of management override, particularly through the potential for inappropriate manual journal entries.</p> <p>Management applies the following significant judgements and makes the following significant estimates when measuring and recognising revenue:</p> <ul style="list-style-type: none"> • The identification of performance obligations in a contract; • The allocation of the contract price to each performance obligations; and • The method determined to measure each performance obligation. 	<p>We performed the following procedures, inter alia, in order to address the key audit matter:</p> <ul style="list-style-type: none"> • We obtained an understanding of the significant revenue recognition processes, with the assistance of our IT specialists, and identified the relevant controls, IT systems, interfaces and reports involved in the revenue cycle. • We assessed the abovementioned controls to determine if they were appropriately designed and implemented and tested these controls to determine if they were operating effectively. • We understood the general IT control environment and tested the general IT controls over the main systems and applications involved in the revenue recording process. In doing so, we involved our IT specialists to assist in the audit of IT system controls and testing of information produced by the entities’ IT systems surrounding the revenue process. • We evaluated the Group’s accounting policies over revenue recognition and determined if they were in compliance with IFRS Accounting Standards that are endorsed by SOCPA. • We performed the following procedures on contract assets : <ul style="list-style-type: none"> ○ We agreed the contract assets amount to an analysis prepared by management; and ○ Selected individual amounts, on a sample basis, and recalculated the amounts based on the underlying contract and documentation which indicated the level of revenue earned under that contract at the reporting date. • On a sample basis, we tested the reconciliations between the general ledgers and the relevant IT system reports for significant revenue streams.

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Arabian Internet and Communication Services Company (the “Company”) and its subsidiaries (together, the “Group”), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) as endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as endorsed in the Kingdom of Saudi Arabia (“the Code”), as applicable to audits of consolidated financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Deloitte and Touche & Co.
Chartered Accountants

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition was considered to be a key audit matter due to the following:</p> <ul style="list-style-type: none"> • The quantitative significance of the amount to the consolidated financial statements; • The level of judgements applied and estimates made by management; • The stipulation in ISAs which require us to presume that revenue is materially misstated as a result of fraud; and • The level of audit effort required. <p>Refer to notes 3,4 and 6 in the consolidated financial statements for the accounting policy related to revenue, the critical accounting judgements and estimates and details about revenue recognized during the year, respectively.</p>	<ul style="list-style-type: none"> • We selected contracts with customers, on a sample basis, for which revenue had been recognized during the year and performed the following procedures: <ul style="list-style-type: none"> ○ We evaluated management’s identification of performance obligations with reference to the terms and conditions in the contracts and recalculated the allocation of the purchase price to each performance obligation; ○ We assessed management’s determination of the method to recognise revenue; ○ We agreed the amount determined for each performance obligation to the amount recorded by the Group; and ○ We recalculated percentage of completion by comparing the actual costs incurred to date against the budgeted total costs. • We tested a sample of manual journal entries posted to revenue accounts to identify any unusual or irregular transactions processed as part of revenue. • We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards that are endorsed by SOCPA.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 25 Sha’ban 1446 H (corresponding to 24 February 2025).



Deloitte and Touche & Co.
Chartered Accountants

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Other Information

Other information consists of the information included in the Group’s annual report. The other information consists of the information included in the Group’s 2025 annual report (“the annual report”), other than the consolidated financial statements and our auditor’s report thereon. Management is responsible for the other information in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

The Group’s 2025 annual report is expected to be made available to us after the date of this auditor’s report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable provisions of the Regulations for Companies and the Company’s bylaws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Audit Committee, is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Deloitte.Deloitte and Touche & Co.
Chartered Accountants**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Deloitte.Deloitte and Touche & Co.
Chartered Accountants**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte and Touche & Co.
Chartered Accountants


Mazen A. Al-Omari
Certified Public Accountant
License No. 480
2 Ramadan 1447 AH
February 19, 2026

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Notes	2025	2024
Revenue	6	12,730,189	12,063,897
Cost of revenue		(10,052,276)	(9,280,923)
GROSS PROFIT		2,677,913	2,782,974
General and administration expenses	7	(730,825)	(720,231)
Selling and distribution expenses	8	(305,657)	(402,188)
Total operating expenses		(1,036,482)	(1,122,419)
OPERATING PROFIT		1,641,431	1,660,555
Finance income		106,365	114,396
Finance cost	10	(88,968)	(73,500)
Share in net results from equity accounted investees	19	11,665	5,818
Other expenses, net	9	(25,732)	(65,495)
TOTAL OTHER INCOME / (EXPENSES)		3,330	(18,781)
PROFIT BEFORE ZAKAT AND INCOME TAX		1,644,761	1,641,774
Zakat and income tax charge, net	11	(132,347)	(38,958)
NET PROFIT		1,512,414	1,602,816
NET PROFIT ATTRIBUTABLE TO:			
Equity holders of the Parent Company		1,502,536	1,596,633
Non-controlling interests		9,878	6,183
		1,512,414	1,602,816
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY:			
Basic	36	12.62	13.42
Diluted	36	12.52	13.31

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Notes	2025	2024
NET PROFIT		1,512,414	1,602,816
OTHER COMPREHENSIVE LOSS			
Items that will not be reclassified subsequently to the consolidated statement of profit or loss:			
Net share of other comprehensive loss from equity accounted investee	19	(1,072)	-
Remeasurement of end of service indemnities	30	(58,292)	(53,184)
Total items that will not be reclassified subsequently to the consolidated statement of profit or loss		(59,364)	(53,184)
Item that may be reclassified subsequently to the consolidated statement of profit or loss:			
Foreign currency translation differences	32	17,820	(168,411)
Total item that may be reclassified subsequently to the consolidated statement of profit or loss		17,820	(168,411)
TOTAL OTHER COMPREHENSIVE LOSS		(41,544)	(221,595)
TOTAL COMPREHENSIVE INCOME		1,470,870	1,381,221
TOTAL COMPREHENSIVE INCOME/ (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company		1,457,710	1,389,043
Non-controlling interests		13,160	(7,822)
		1,470,870	1,381,221

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Consolidated Statement of Financial Position As at 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Notes	2025	2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12	1,748,973	1,127,133
Short term murabaha	13	370,000	2,575,000
Trade receivables	14	4,659,777	3,758,610
Prepayments and other assets	15	589,490	436,445
Contract assets	16	2,970,238	2,249,371
Inventories	17	406,241	212,131
TOTAL CURRENT ASSETS		10,744,719	10,358,690
NON-CURRENT ASSETS			
Non-current investments and other assets	18	480,967	268,450
Investment in equity accounted investees	19	347,735	340,686
Intangible assets and goodwill	20	608,483	559,813
Property and equipment	21	363,219	425,263
Right-of-use assets	22	371,823	89,780
TOTAL NON-CURRENT ASSETS		2,172,227	1,683,992
TOTAL ASSETS		12,916,946	12,042,682
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Trade payables, accruals and other liabilities	24	4,511,601	3,885,729
Deferred revenue	25	1,878,758	2,089,636
Contract liabilities	26	320,145	467,349
Zakat and income tax payable	11	159,174	146,273
Borrowings	27	150,745	93,027
TOTAL CURRENT LIABILITIES		7,020,423	6,682,014
NON-CURRENT LIABILITIES			
Lease and other liabilities	28	235,803	103,603
End of service indemnities	30	701,937	581,700
Borrowings	27	631,633	642,271
TOTAL NON-CURRENT LIABILITIES		1,569,373	1,327,574
TOTAL LIABILITIES		8,589,796	8,009,588
EQUITY			
Share capital	31	1,200,000	1,200,000
Other reserves	32	(299,846)	(261,235)
Treasury shares	33	(144,831)	(151,063)
Retained earnings		3,532,017	3,219,890
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY		4,287,340	4,007,592
Non-controlling interests	35	39,810	25,502
TOTAL EQUITY		4,327,150	4,033,094
TOTAL LIABILITIES AND EQUITY		12,916,946	12,042,682

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Consolidated Statement of Changes in Equity For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Total equity attributable to the equity holders of the Parent Company					Non-controlling interest	Total
	Share capital	Other reserves	Treasury shares	Retained earnings	Total		
Balance as at 1 January 2025 (Note 43)	1,200,000	(261,235)	(151,063)	3,219,890	4,007,592	25,502	4,033,094
Net profit for the year	-	-	-	1,502,536	1,502,536	9,878	1,512,414
Other comprehensive (loss) / income	-	(44,826)	-	-	(44,826)	3,282	(41,544)
Total comprehensive (loss) / income	-	(44,826)	-	1,502,536	1,457,710	13,160	1,470,870
Capital contribution from NCI (Note 1)	-	-	-	-	-	1,182	1,182
NCI disposal on liquidation of Subsidiaries (Note 1)	-	-	-	-	-	(34)	(34)
Foreign currency difference reclassified to profit or loss (Note 1)	-	1,840	-	-	1,840	-	1,840
Dividends (Note 34)	-	-	-	(1,190,409)	(1,190,409)	-	(1,190,409)
Share based payment transactions (Note 32)	-	4,375	6,232	-	10,607	-	10,607
Balance as at 31 December 2025	1,200,000	(299,846)	(144,831)	3,532,017	4,287,340	39,810	4,327,150
Balance as at 1 January 2024	1,200,000	(59,863)	(154,444)	2,338,270	3,323,963	28,591	3,352,554
Net profit for the year	-	-	-	1,596,633	1,596,633	6,183	1,602,816
Other comprehensive loss	-	(207,590)	-	-	(207,590)	(14,005)	(221,595)
Total comprehensive income / (loss)	-	(207,590)	-	1,596,633	1,389,043	(7,822)	1,381,221
Acquisition of a subsidiary (Note 1, Note 43)	-	-	-	-	-	4,381	4,381
Acquisition of additional interest in subsidiary (Note 1)	-	-	-	(1,015)	(1,015)	352	(663)
Share-based payments transactions (Note 32)	-	6,218	3,381	-	9,599	-	9,599
Dividends (Note 34)	-	-	-	(713,998)	(713,998)	-	(713,998)
Balance as at 31 December 2024	1,200,000	(261,235)	(151,063)	3,219,890	4,007,592	25,502	4,033,094

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Notes	2025	2024
OPERATING ACTIVITIES			
Net profit before zakat and income tax		1,644,761	1,641,774
Adjustments for:			
Depreciation and amortization	20, 21	254,536	242,657
Depreciation – right of use assets	22	91,444	44,347
Expected credit loss (reversal) / charge on trade receivables and contract assets	14, 16	(45,266)	54,818
End of service indemnities expense	30	134,550	133,334
Share-based payment expense		10,012	9,599
(Reversal)/provision for advances to suppliers and future contract losses		(61,033)	22,510
Reversal of provision for slow moving and obsolete inventories	17	(6,516)	(13,898)
Share in results from equity accounted investees	19	(11,665)	(5,818)
Changes in fair value of investment at FVTPL		(19,828)	(3,177)
Net loss on disposal of property and equipment		1,589	-
Remeasurement of contingent consideration liability	9	3,259	9,774
Finance cost		88,968	73,500
Finance income		(106,365)	(114,396)
		1,978,446	2,095,024
Changes in operating assets and liabilities:			
Trade receivable		(824,052)	329,918
Prepayments and other assets		(306,343)	(216,457)
Contract assets		(733,653)	(685,022)
Inventories		(180,375)	(16,849)
Trade payable, accruals and other liabilities		432,536	652,766
Deferred revenue		(216,418)	(911,435)
Contract liabilities		(166,826)	338,454
Cash flows (used in) / generated from operating activities		(16,685)	1,586,399
Zakat and income taxes paid	11	(131,424)	(129,571)
End of service indemnities paid	30	(73,535)	(55,215)
Finance income received		120,975	107,643
Net cash (used in) / generated from operating activities		(100,669)	1,509,256
INVESTING ACTIVITIES			
Short term murabaha, net		2,205,000	(1,725,000)
Proceeds from disposal of property and equipment		423	-
Purchase of property and equipment and intangible assets	20, 21	(191,092)	(255,196)
Proceeds from disposal of investments in financial assets		-	165,901
Investment in equity accounted investees		(375)	(297,861)
Dividends received from equity accounted investee		4,000	-
Payment for acquisition of subsidiary, net of cash acquired		-	(14,714)
Net cash generated from / (used in) investing activities		2,017,956	(2,126,870)

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Notes	2025	2024
FINANCING ACTIVITIES			
Lease liabilities payments	29	(72,289)	(52,703)
Dividends paid	34	(1,190,409)	(713,998)
Repayment of borrowings		(150,608)	(180,097)
Proceeds from borrowings		180,694	206,102
Proceeds from / (payments for acquisition of) NCI		1,182	(663)
Finance cost paid		(67,036)	(66,111)
Net cash used in financing activities		(1,298,466)	(807,470)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year	12	1,127,133	2,588,169
Net foreign exchange difference on cash		3,019	(35,952)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	1,748,973	1,127,133
Significant non-cash items:			
Additions to right of use assets and lease liabilities		382,787	89,826
Additions to intangible assets		45,997	-

Chief Financial Officer

Chief Executive Officer

Authorized Board Member

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

1. ACTIVITIES

Arabian Internet and Communication Services Company ("the Company" or the "Group" or "Solutions by stc") is a Saudi Joint Stock Company registered in Saudi Arabia under Unified National Registration number 7001444137 and commercial registration numbered 1010183482 dated 8 Dhul-Qadah 1423H (corresponding to 11 January 2003). The registered office is located at Riyadh, Olaya street, P.O. Box 50, Riyadh 11372, Kingdom of Saudi Arabia ("KSA"). During December 2020, the Company changed its legal status from a limited liability company to a Saudi Closed Joint Stock Company and during September 2021, the Company completed its Initial Public Offering, and its shares were traded on September 30, 2021.

The Company is 79% owned by Saudi Telecom Company ("STC") (31 December 2024: 79%). The parent of STC is Public Investment Fund ("PIF") which owns 62% (31 December 2024: 62%) of its ordinary shares and is based in KSA.

The main activities of the Company and its subsidiaries (collectively referred to as the "Group") comprise of the following:

- Engaged in the extension, installation, managing and monitoring of computer networks, wiring and communications.
- Repair and maintenance of engines, systems, and fixed and portable data storage devices.
- Road repair, maintenance and supplies.
- Security devices installation and maintenance.
- Wholesale and retail of security devices, cyber security and systems analysis.
- Design and programming of special software and applications development.
- Senior management advisory services.
- Environmental activities including advisory, testing, and measuring environmental indicators and operating air laboratories, installation, repair, maintenance and environmental monitoring and control operation of continuous and discontinuous systems including the import and wholesale of environmental monitoring and control systems.

- Carrying out all kinds of manufacturing and assembling works in addition to operating and maintenance works; engineering consultations; designing computer systems and accessories; Xerox machines; graphic machines; automatic control devices; wire and wireless communication devices as well as spare parts, equipment and supplies required for operating and maintaining the devices, machines and equipment.
- Selling and marketing computer software and electronic hardware; electronic devices; spare parts; supplies and necessary accessories of all types as well as leasing and maintaining such devices for the benefit of the Company or operating the said devices for the benefit of third parties.
- Conducting amendment and development operations on the computer software and hardware units and providing integrated solutions.
- Designing, supplying, installing and maintaining security systems in various facilities, alarm systems, automatic firefighting systems, circuit breaker systems and communication devices that enable remote desktop connection or that connect computers networks.
- Designing, supplying, installing and maintaining the Optical Ground Wire (OPGW) grids, electricity transmission lines, power transformation stations, generators and auxiliary plants.
- Supplying, installing and maintenance educational laboratories (electric-electronic-mechanical).
- Designing engineering and scientific systems for computers and providing engineering consultations, implementing integrated projects within the scope of the abovementioned activities.
- Undertaking marketing and trading activities within the purpose of the Company.
- Designing, supplying, installing, operating, establishing and maintaining the grids, stations and booster pumping stations for potable water, wastewater as well as gas and fuel grids.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

- Carrying out all the electromechanical and electronic work in addition to providing communication networks. Conducting export activities.
- The Group may have an interest or participate in any manner with companies and other entities practicing similar activities or that may assist the Company in achieving its purpose in Egypt or abroad. The Company may also merge into the said entities, purchase them or affiliate them thereto according to the provisions of law and its executive regulations. Providing services related to submission of proposals and technical solutions in the field of telecommunications and information technology support and maintenance, systems development, support, and communications programs and information technology.
- Provision of services including contact center services, integrated administrative services for offices, and services related to re-engineering and restructuring of administrative, financial and operational processes.
- Organization and management of exhibitions and conferences.
- Management of maintenance and operations in buildings and related facilities including exhibition and conference centers.

1.1 Acquisitions in 2024

Finalization of Purchase Price Allocation for LABS acquisition

On 31 May 2024, the Group acquired 70% indirect ownership in the Logical Application for Business Solutions Company ("LABS"), a limited liability company incorporated under the laws of Kingdom of Saudi Arabia, through Giza Arabia Systems ("Purchaser") for net effective purchase consideration amounting to ₪ 22.6 million. The Group concluded the acquisition as a business as per "IFRS 3 - Business Combinations" and accordingly accounted for the transaction using the acquisition method as per IFRS 3 with the Giza Arabia Systems being the acquirer and LABS being the acquiree. As at 31 December 2024, the Group had recognized provisional goodwill of ₪ 214 million resulting from the LABS acquisition pending the completion of the purchase price allocation ("PPA") exercise.

During the current year, the Group finalized the PPA exercise. As a result, intangible assets amounting to ₪ 11.6 million were identified as arising from the acquisition. Consequently, the goodwill amount recognized in the consolidated financial statements was reduced from ₪ 214 million to ₪ 124 million and the value of non-controlling interest was increased from ₪ 0.9 million to ₪ 4.4 million. The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of LABS with those of the Group.

The allocation of purchase consideration following the completion of the PPA exercise is as follows:

	On 31 May 2024
Assets acquired	
Trade receivable	8,289
Intangible assets arising from the acquisition (refer below)	11,561
Cash and cash equivalents	707
Prepayments and other assets	3,452
Property and equipment	197
Total assets	24,206
Liabilities assumed	
Trade payables, accruals and other liabilities	(7,987)
End of service indemnities	(1,140)
Zakat and income tax payable	(476)
Total liabilities	(9,603)

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	On 31 May 2024
Net identifiable assets as at acquisition date	14,603
Non-controlling interests	(4,381)
Goodwill arising from the acquisition	12,409
Total effective purchase consideration	22,631

The net cash flows arising from the acquisition are the same as reported in the consolidated financial statements for the year ended 31 December 2024.

Intangible assets arising from the acquisition

Below are the intangibles assets recognised along with the valuation techniques used for measuring the relevant fair value:

Intangible Assets	Amount recognised on acquisition	Valuation Approach
SAP Partnership	4,917	With and Without method (WWM)
Tradenname	1,808	Relief from royalty
Customer relationships	3,650	Multi period Excess Earnings Method (MEEM)
Customer backlog	1,186	Multi period Excess Earnings Method (MEEM)
	11,561	

The impact of these measurement period adjustments (except for the amortisation expense of identified intangible assets amounting to ٢٠٠ 1.1 million) was taken retrospectively and is disclosed in Note 43 to these consolidated financial statements.

1.2 Liquidation and deregistration of subsidiaries

During the reporting period, the Group completed the formal liquidation and deregistration of two subsidiaries indirectly owned through Giza Systems Company. These entities were mostly dormant and were not material to the Group's operations, financial position, or performance. No consideration was received, and no significant assets, liabilities, or operations remained in the entities at the time of liquidation. As a result, the liquidations had no material impact on the Group's consolidated financial statements.

A loss on liquidation amounting to ٢٠٠ 0.6 million has been recognised in the consolidated statement of profit or loss. In addition, the post-acquisition cumulative exchange differences previously recognised in other comprehensive income related to these subsidiaries amounting to ٢٠٠ 1.84 million have been recycled to the consolidated statement of profit or loss. NCI impact of ٢٠٠ 34 thousand was also recycled to the consolidated profit or loss.

2. BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards that are endorsed in KSA and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

These consolidated financial statements are prepared based on the following:

- Material accounting policies described in note 3
- Significant accounting estimates, assumptions and judgements described in note 4

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied by the Group in the preparation of consolidated financial statements. The applied accounting policies this year are consistent with the previous year.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

3.1 Basis of measurement and functional currency

The consolidated financial statements have been prepared on a historical cost basis except for financial assets classified as fair value through profit or loss which are measured at fair value.

These consolidated financial statements are presented in Saudi Arabian Riyal (٢٠٠), which is the Company's functional currency. All values are rounded to the nearest thousand (SAR'000), except when otherwise indicated.

The consolidated financial statements are prepared under the going concern basis.

3.2 Basis of consolidation

These consolidated financial statements include the assets, liabilities and the results of operations of the Company and its subsidiaries listed in note 5.

Subsidiaries are entities controlled by the group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit or loss. Any investment retained is recognised at fair value.

Business combination and Goodwill

Business combinations are accounted for using the acquisition method upon transfer of control to the Group. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in the consolidated statement of profit or loss as incurred.

When the Group acquires a business, it assesses the identifiable assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value with limited exceptions.

Goodwill is initially measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value at the acquisition date of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts recognized at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then a gain on bargain purchase at a differential price is recognized in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing for goodwill acquired from the business combination and from the date of acquisition, it will be allocated to cash-generating units ("CGU") that are expected to benefit from the consolidation regardless of whether the other assets or liabilities acquired have been allocated to those units.

If goodwill is not allocated to designated cash-generating units because of an incomplete initial calculation, the initial impairment loss will not be tested unless impairment indicators are available to enable the Group to distribute the carrying amount of the goodwill to the cash generating units or the group of cash generating units expected to benefit from business combination. Where goodwill is allocated to the cash generating unit and part of the operations of that unit are disposed of, goodwill associated with the discontinued operation will be included

in the carrying amount when determining the gain or loss on disposal of the operation. The goodwill in such circumstances is measured on the basis of the value of a similar disposed operation and the remaining portion of the cash-generating unit.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another relevant IFRS approved in Kingdom.

Any contingent consideration to be paid (if any) will be recognized at fair value at the acquisition date and classified as equity or a financial liability. Contingent consideration classified as a financial liability is subsequently remeasured at fair value with the changes in fair value recognized in the consolidated statement of profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in the consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to the consolidated statement of profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for the business combination is not completed by the end of the reporting period which constitutes the period in which the combination occurred, the Group

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

presents the items whose value calculation has not been completed in a temporary manner in the consolidated financial statements. During the measurement period, which is not more than one year from the acquisition date, the temporary value recognized on the acquisition date is retroactively adjusted to reflect the information obtained about the facts and circumstances that existed at the date of acquisition and if it is determined that this will affect the measurement of amounts recognized as of that date.

The Group recognizes additional assets or liabilities during the measurement period if new information becomes available about facts or circumstances that existed at the date of the acquisition and if it will result in recognition of assets or liabilities from that date. The measurement period ends once the group obtains all information that existed at the acquisition date or as soon as it becomes sure of the absence of more information.

Foreign currencies

The financial information and disclosures are presented in Saudi Riyals (the functional currency of the Company). For each subsidiary, the Group determines the functional currency, which is defined as the currency of the primary economic environment in which the entity operates, and items included in the financial statements of each subsidiary are measured using that functional currency.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the

transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item to which it relates. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Gains or losses arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognized in OCI.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Saudi Riyals using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Foreign currency risk management

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the reporting date exchange rate.

	Closing rate on 31 December 2025	Closing Rate on 31 December 2024	Average rate for the year ended 31 December 2025	Average rate for the year ended 31 December 2024	Rate on acquisition date on 3 October 2022
1 EGP to SAR	0.0787	0.0737	0.0762	0.0829	0.1915

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Investments in associates and joint ventures - equity accounted investees

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Factors to determine significant influence include holding directly or indirectly voting power of the investee, representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes including participation in decisions about dividends or other distributions, material transactions between the entity and the investee, interchange of managerial personnel or provision of essential technical information.

The investment in associates and joint ventures are accounted for in the consolidated financial statements of the Group using the equity method of accounting. The equity accounted investees in the consolidated statement of financial position are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit and loss and other comprehensive income of the investee adjusted for any impairment in the value of the net investment. In addition, when there has been a change recognized directly in the equity of the investee associate or joint ventures, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. When the Group's share of losses in equity accounted investee exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses.

Additional losses are recognized and recorded as liabilities only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the equity accounted investees.

Unrealized gains or losses resulting from transactions between the Group and the equity accounted investees are eliminated to the extent of the interest in the associate or joint venture.

Investments in associates or joint ventures are accounted for using the equity method from the date on which the investee becomes an associate or joint venture.

On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in the consolidated statement of profit or loss in the acquisition year.

The requirements of IFRSs approved in the Kingdom are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or joint venture. The carrying amount of the investment in an associates or joint ventures are tested for impairment in accordance with the policy.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, joint venture or when the investment is classified as held for sale.

When the Group reduces its ownership interest in an associate or joint venture, but the Group continues to use the equity method, the Group reclassifies to the consolidated statement of profit or loss the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss includes the disposal of the related assets or liabilities.

When any entity within the Group transacts with an associate or joint venture of the Group, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Revenue

Core Information and Communication Technology ("ICT") Services

System integration services

System integration revenue represents revenue generated by the installation of new networks (hardware and software) or enhancing the existing customer network together with stand ready right to maintenance and support and training solutions. Hardware, software and installation are bundled into a single performance obligation as the goods and services are not distinct within the context of the contract because they are not separately identifiable from other promises in the contract. The transaction price will be allocated to each performance obligation based on the stand-alone selling price.

Where these are not directly observable, they are estimated based on expected cost-plus margin.

The Group recognizes revenue relating to installed hardware, software along with design and professional services over time using the input method.

Revenue on selling, maintenance and support is recognized over time as the transfer of the right to the service to the customer occurs.

Revenue on training is recognized over time using input method.

Software reselling

Revenue from software reselling is recorded at a point in time at which the revenue is recognized. All third-party software sold to customers are accounted for as an agent on a net basis, except for arrangements where either:

- The software is sold as part of integration to develop a client specific integrated solution or a structure where other solution elements are combined. The integration involves deployment of a skilled team who support clients on-ground in determining the client's business requirements, solution design and perform the implementation.
- The software was subject to customization by the Group beyond the selection and deployment of software or multiple software as per standard specification.

Communication and internet services

Communication and internet services revenue represent revenue generated by selling Dedicated Internet Access (DIA) and data services. If communication and internet services are provided as part of bundled contract, the consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. The Group recognizes revenue of these services as the customer avails the benefit of these services over the period based on time elapsed. (Coinciding with the billing).

IT Managed and Operational Services

Outsourcing services

The Group provides outsourcing services which primarily include manpower service, managed manpower services or solution support. Further, in case of manpower services customer may also request the Group to deliver some hardware equipment.

Hardware is a separately identifiable component in the outsourcing contract (only in case of manpower services) and accounted for as a separate performance obligation and transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. Revenue for manpower services is recognized over a period of time based on input method, and hardware is recognized at a point in time when the hardware is delivered to the extent of cost; and installation revenue is recognized over time using the input method.

Managed services

Revenue from managed service includes managed router service, managed LAN service and managed Wi-Fi service and other similar services.

The Group accounts for individual goods and services separately if they are distinct.

Managed services revenue represent revenue generated by selling routers, managing the routers and providing technical support service and are recognized as per the nature of the service and when the control transferred to the customer (Over the period of time based on time elapsed or at a point in time).

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Hardware: at a point in time to the extent of cost; and installation revenue is recognized over time using the input method. Managed Service and technical support: Over a period of time.

Where managed services are provided as part of a bundled contract, consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices.

Call center services

Revenue from call center services includes setting up, operationalizing and thereafter managing the contact/call center for the customer.

The group derives revenue primarily from contracts with customers to provide call center services.

The group recognizes revenue when it transfers control over a service to a customer.

The group satisfies a performance obligation and recognizes revenue over time.

Digital Services

Digital services

Revenue from digital service includes fleet control services, Enterprise Mobile Mobility (EMM), big data services etc. and other similar services.

The Group accounts for individual goods and services as a separate performance obligation if they are capable of being distinct and distinct in the context of the contract.

Digital services revenue represents revenue generated by selling devices (hardware), application service and value-added service and are recognized as per the nature of the service; Hardware: At a point in time. Application services and Value-added services: Over a period of time based on time elapsed.

Cyber Security services

Cyber security revenue represents revenue generated from providing security products and services to the customers' networks, or any other security services.

Cloud and data center services

Cloud and data center service revenue represents services hosted on the marketplace and falls broadly into two options:

a) The Group's customized cloud products:

Cloud products are the primary responsibility of the Company; The Group is the principal under this arrangement because it controls the specified cloud service before they are transferred to the end customer.

b) Third party CSP cloud products:

The CSP are primarily responsible to render services to the customers for the promises to deliver cloud services, hardware or the bundled solution at the customer's premises. The Group does not obtain control of a right to cloud services before it is delivered to the end customer. The Group is obliged to provide the cloud platform to the third party CSP in a month-to-month hosting service contract with variable consideration that is a separate performance obligation and therefore is an agent in this arrangement.

Revenue is recognized as follows:

- Pre-defined and customized cloud products - Revenue is recognized over a period of time that may be time elapsed or usage-based output method based on packages offered.
- Hardware ("Add-ons") - Revenue from hardware sales are recognized at a point in time when the control of the hardware is transferred to the customer

Where cloud and data center services are provided as part of bundled contract, the consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices.

The Group charges the customers for certain activation activities which are not distinct in nature and therefore revenue is recognized from such activity when the goods or services to which they relate are provided to the customer.

Other considerations

• Contract costs

The Group may incur costs to fulfil a contract before a good or service is provided to a customer. Such costs are capitalized where they relate directly to the contract or anticipated contract, generate resources used in satisfying the contract and are

expected to be recovered. The Group will amortize these costs on a systematic basis, consistent with the transfer to the customer of the goods or services and are periodically reviewed for impairment.

• Work-in-progress

Work-in-progress for an over-time performance obligation is generally expensed as a fulfillment cost when it is incurred because control of the work in progress transfers to the customer as it is produced and not at discrete intervals. However, inventory to support multiple contracts that has an alternative use is recognized as an asset until it is dedicated to a specific contract.

• Contract assets and liabilities

Under IFRS 15, when either party to a contract has performed, an entity shall present the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

• Principal versus agent consideration

The group in an arrangement is a 'principal' if it controls the specified good or service that is promised to the customer before it is transferred to the customer. When another party is involved, the group that is a principal obtains control of:

- A good from another party that it then transfers to the customer;
- A right to a service that will be performed by another party, which gives the group the ability to direct that party to provide the service on the group's behalf; or
- A good or a service from another party that it combines with other goods or services to produce the specified good or service promised to the customer.

The Group has evaluated its arrangements to determine whether it is a principal, and report revenues on a gross basis, or an agent, and report revenues on a net basis.

• Variable consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group is entitled in exchange for transferring the promised goods and services to a customer.

• Contract modification

A contract modification exists when the parties to a contract approve a modification that creates new or changes the existing rights and obligations of the parties to the contract. Revenue recognition under the existing contract is continued until the contract modification is approved.

IFRS 9 "Financial Instruments"

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as:

- Financial assets measured at amortised cost; or
- Financial assets measured at fair value

Gains or losses of assets measured at fair value will be recognised either through the consolidated statement of profit or loss or through the consolidated statement of OCI.

Initial measurement

Financial assets are initially measured at their fair value plus transaction costs. Transaction costs of financial assets carried at fair value through income statement are recognised in the consolidated statement of profit or loss, when incurred.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the requirements as solely payments of principal and interest.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Subsequent measurement

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

a. Financial assets measured at amortized cost:

Assets that are held to collect contractual cash flows are measured at amortized cost using the effective interest rate ("EIR") method where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income. When the financial asset is derecognized, the gain or loss is recognized in the consolidated statement of profit or loss.

b. Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss ("FVTPL") are measured at each reporting date at fair value without the deduction of transaction costs that the Group may incur on sale or disposal of the financial asset in the future. Gains and losses, both on subsequent measurement and derecognition, are recognized in consolidated statement of profit or loss.

c. Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income ("FVOCI") are measured at each reporting date at fair value without the deduction of transaction costs that the Group may incur on sale or disposal of the financial asset in the future. Gains and losses are recognized in the consolidated statement of comprehensive income. The amounts recognized in the consolidated statement of comprehensive income are not reclassified to the consolidated statement of profit or loss under any circumstances.

Dividends from category "b" and "c" are recognised in the consolidated statement of profit or loss as other income when the Group's right to receive payments is established.

De-recognition

A financial asset or a part of a financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
 - a) The Group has transferred substantially all the risks and rewards of the asset; or
 - b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment

At each reporting date, the Group measures expected credit losses ("ECL") on financial assets accounted for at amortized cost.

Lifetime ECL

The Group shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and contract assets (unbilled revenue) that result from transactions that are within the scope of IFRS 15, and that do not contain a significant financing component.

The Group recognizes expected credit losses for trade receivables and contract assets based on the simplified approach. The simplified approach to the recognition of expected losses does not require the Group to track the changes in credit risk; rather, the Group recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable. It considers available reasonable and supportive forwarding-looking information.

Objective evidence that financial assets are impaired may include indications that a debtor or a Group of debtors is experiencing significant financial difficulty, default or

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

delinquency in profit or principal payments, the probability that they will enter bankruptcy or other financial reorganization, legal team is involved to claim outstanding balance, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Group under the contract, and the cash flows that the Group expects to receive. The Group assesses all information available, including past due status, risk of default over the asset life and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified under either of the below two classes:

- Financial liabilities at FVPL; and
- Other financial liabilities are measured at amortised cost using the EIR method.

The category of financial liability at FVPL has two sub-categories:

- Designated: A financial liability that is designated by the entity as a liability at FVPL upon initial recognition; and
- Held for trading: A financial liability classified as held for trading, such as an obligation for securities borrowed in a short sale, which have to be returned in the future. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments

All financial liabilities are recognised initially when the Group becomes party to contractual provisions and obligations under the financial

instrument. The liabilities are recorded at fair value, and in the case of loans and borrowings and payables, the proceeds received net of directly attributable transaction costs.

The Group classifies financial liabilities that are in the nature of supplier financing arrangement within trade and other payables in the statement of financial position. The supplier finance arrangement is part of the working capital used in the Group's normal operating cycle. Net cash flows related to liabilities arising from supplier finance arrangements are included in operating activities in the consolidated statement of cash flows and are settled within one year.

Subsequent measurement

Financial liabilities at FVPL continue to be recorded at fair value with changes being recorded in the consolidated statement of profit or loss.

For other financial liabilities, including loans and borrowings, after initial recognition, these are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR method. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value adjusted for transaction costs that are directly

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

attributable to the issuance of the guarantee. The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

De-recognition

A financial liability is de-recognised when the obligation under the liability is settled or discharged. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is classified as current when it is;

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets that do not meet the above criteria as non-current.

A liability is classified as current when:
 - It is expected to be settled in the normal operating cycle;
 - It is held primarily for the purpose of trading;
 - It is due to be settled within twelve months after the reporting period; or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Refer to Note 37 for further details on fair value measurements as applied in these consolidated financial statements.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Expenses

Cost of revenue primarily comprise costs directly related to the provision of goods and services for which the Group recognizes revenue.

Selling and distribution expenses principally comprise of costs incurred in the distribution and sale of the Group's products and services.

General and administration expenses include indirect costs, not specifically part of cost of revenue or selling and distribution expenses as required under IFRSs as endorsed in KSA. Allocations between general and administration expenses, cost of sales and selling & distribution expenses, when required, are made on a consistent basis.

Zakat

Zakat is calculated in accordance with the Regulations of the Zakat, Tax and Customs Authority (the "ZATCA") in the Kingdom of Saudi Arabia and on an accrual basis. Zakat and income tax related to the Company and its subsidiaries is charged to profit or loss. Differences, if any, resulting from final assessments are adjusted in the period of their finalization.

Taxes

Foreign Income tax:

As part of the process of preparing consolidated financial statements, the Group estimates income tax in each of the jurisdictions it operates. This process involves estimating current tax expense and temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the related tax bases. Temporary differences result in deferred tax assets and liabilities, which are included in the consolidated statement of financial position. Deferred tax assets and liabilities are carried at nominal value.

The Group assesses periodically the likelihood whether deferred tax assets will be recovered from future taxable income to the extent these deferred tax assets are recorded. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that the taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax:

Deferred tax is provided for using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax law enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Value Added Tax ("VAT")

Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables are stated with the amount of VAT included.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Dividends

The Group dividends policy is approved by the General Assembly and the Company recognizes a liability to pay a dividend when the distribution is authorized. A corresponding amount is recognized directly in equity.

Employee benefits

End of service indemnities

The Group primarily has end of service indemnities which qualifies as defined benefit plans.

The pension liability recognized in the consolidated statement of financial position is the present value of the projected Defined Benefit Obligation (DBO) at the reporting date.

The DBO is calculated periodically by qualified actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using yields on high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Due to the lack of liquidity and the deep market constraints of local corporate bonds, reference needs to be made to the Saudi Government Issuance of US dollar denominated bonds rates.

The net interest cost is calculated by applying the discount rate to the net balance of the DBO. This cost is included in employees' related costs in the consolidated statement of profit or loss and other comprehensive income.

Current and past service costs related to end of service indemnities and unwinding of the liability at discount rates used are recognized immediately in the consolidated statement of profit or loss and other comprehensive income. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in OCI.

The actuarial valuation process takes into consideration the provisions of the Saudi Arabian Labour Laws and any other countries applicable laws as well as according to the Group's policy.

Retirement benefits

The Group pays retirement contributions for its national employees to the General Organization for Social Insurance. This represents a defined contribution plan. The payments made are expensed as incurred.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and early retirement awards in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Shared-based payments

The Company's employees receive remuneration in the form of share-based payments under the employee long term incentives program, whereby employees render services as consideration for Company's shares (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value of the equity instrument at the grant date. The grant date is the date on which the Company and the employee agree on the share-based agreement, so that a common understanding of the terms and conditions of the agreement exists between the parties. Share-based payment expense is included as part of employees' benefits expense over the period in which the service and the performance conditions are fulfilled (the vesting period), with the corresponding amount recorded under other reserves within equity in accordance with the requirements of the International Financial Reporting Standard 2: Share-based Payment. The cumulative expense recognized for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Treasury shares

Own equity instruments that are repurchased (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the shares. Any difference between the carrying amount of the shares and the consideration, if reissued, is recognized in other reserves within equity.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Appropriate provision is made for obsolete and slow-moving inventories, if required.

Cash and cash equivalents

Cash and cash equivalents consist of bank balances, cash in hand and investments that are readily convertible into known amounts of cash and have original maturities of three months or less when placed.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at each financial year-end, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets, which comprise computer software, are amortized over the period of four to six years. The Company also has intangible assets arising from service concession arrangements which are amortised over a period of 15 years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the consolidated statement of profit or loss when the asset is derecognized.

Further, the Company completes purchase price allocation exercises for its acquisitions. The below are the intangibles assets recognized in these consolidated financial statements from previous acquisitions along with their estimated useful life:

Intangible	Estimated useful life
Customer relationships	7 to 10 years
Backlog	4 years
Tradename / trademarks	10 years
Technology	5 years

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in income or loss as incurred. Depreciation is recognized on a straight-line basis over their estimated useful lives except for Supercomputer where sum of digits method of depreciation is used, based on the performance and expected usage of the asset.

The Group applies the below estimated useful life to its property and equipment and depreciates accordingly

Computer hardware	3 to 5 years
Furniture	5 to 7 years
Office equipment	5 to 20 years
Buildings	50 years
Leasehold improvements	Lower of the lease period or 3 to 5 years
Motor vehicles	4 to 5 years
Supercomputers	7 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial period ended and adjusted prospectively, if appropriate.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit), except for goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually,

or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Leases

The Group assesses whether a contract contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

For all such lease arrangements the Group recognize right of use assets and lease liabilities except for the short-term leases and leases of low value assets as follows:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. Right-of-use assets comprise of lease of building and land which is amortized over the respective lease period.

Right of use assets are depreciated as follows:

Leasehold lands	15 years
Buildings	4 years
Hardware	4 years
Vehicles	2 to 5 years
Data Center	3 to 5 years

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

As a lessor:

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

This requires evaluation of each of the indicators provided in IFRS 16 including but not limited whether the discounted value of the lease payments covers significant part of the fair value of the underlying asset and whether the lease term covered major part of the economic life of the underlying asset.

Operating lease income is recognized in the consolidated statement of profit or loss on a straight-line basis over the lease term. Any

benefits granted as an incentive to enter into an operating lease, are distributed in a straight-line basis over the lease term.

If an arrangement contains lease and non-lease components, then the total consideration is allocated using the standalone selling prices based on the principles of IFRS 15.

Where the Group concludes that it is a dealer lessor under a finance lease, then at the commencement date, it recognises the following for each of its finance leases:

- revenue, which is the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest;
- the cost of sales, which is the cost (or carrying amount if different) of the underlying asset less the present value of the unguaranteed residual value; and
- selling profit or loss (which is the difference between revenue and the cost of sale) in accordance with the policy for outright sales to which IFRS 15 applies. The selling profit or loss on a finance lease should be recognised at the commencement date, regardless of whether the lessor transfers the underlying asset as described in IFRS 15.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of commercial buildings, vehicles and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of commercial buildings, vehicles and offices that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Provisions

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognized as financial charges.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already

incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in the consolidated profit or loss in the period in which they become receivable.

Service Concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognised over time, consistent with the Group's revenue recognition policies. Operation or service revenue is recognised in the period in which the services are provided by the Group. If the service concession arrangement contains more than one performance obligation, then the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs (if any), less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

Earnings per Share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Segment Information

The specific operating segments of the Group are identified based on internal reports, which are regularly reviewed by the Group's main decision makers (chief operating decision maker) for the purpose of resource allocation among segments and performance assessment.

Amendments to IFRS that applied by the Group

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. One amendment (Amendment to IAS 21: Lack of exchangeability) applies for the first time in 2025 but does not have an impact on the consolidated financial statements of the Group.

OTHER AMENDMENTS OF RELEVANT IFRS'S ISSUED BUT NOT YET EFFECTIVE

The standards and amendments that are issued, but not yet effective, as of 31 December 2025 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Except as disclosed below in relation to IFRS 18, these standards are not expected to have a material impact on the Group at their effective dates.

New standards, amendments and interpretations issued but not yet effective

- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.
- IFRS S1 and IFRS S2: International Sustainability Disclosure Standards (Not yet endorsed by SOCPA).
- Annual improvements to IFRS Accounting Standards Volume 11.
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- Amendment to IFRS 9 and IFRS 7: Contracts referencing Nature-dependent Electricity
- IFRS 19: Subsidiaries without Public Accountability: Disclosures.

- IFRS 18: Presentation and Disclosure in Financial Statements.
- Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, of which the first three are new.

IFRS 18 also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the related amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all the impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

The following critical judgements and estimates have the most significant effect on the amounts recognized in the consolidated financial statements:

Critical Judgment

Principal versus agent

Significant judgement is required in determining whether the Group is acting as principal, reporting revenue on gross basis, or acting as an agent, reporting revenue on net basis. The Group exercises professional judgement when performing this assessment, taking into consideration the details of the contractual terms, the nature of the products and services as defined by IFRS 15 on revenue from contracts with customers.

Key sources of estimation uncertainty

Impairment of non-financial assets (Including goodwill)

An impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Group is not yet committed to

or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Further information on impairment of goodwill and related sensitivity is disclosed in note 20.

Expected credit losses ("ECL")

For trade receivables and contract assets excluding government and related parties, the Group applies the simplified approach. To measure the expected credit losses, receivables have been segmented based on shared credit risk characteristics and the days past due. Expected loss rates were derived from historical information of the Group and are adjusted to reflect the expected future outcome which also incorporates forward-looking macroeconomic information. The Group estimates the case-by-case provision on related party balances and government customers based on the internal assessment regarding the collectability of the balances and this assessment is done based on the available information. This is in addition to lifetime expected credit losses recognised using the simplified approach by applying the Credit Default Swap ("CDS") measurement approach on the residual amounts. An estimate of the collectible amount is made when collection of the amount is no longer probable and is assessed on an individual basis.

Change in Expected Credit Loss (ECL) estimation model

During the year, the Company updated its Expected Credit Loss (ECL) provisioning model based on recommendations provided by an independent third-party consultant in prior years. Key enhancements in the revised model include; adoption of a 90-day period as an explicit definition of default, refinement of the flow rate calculation methodology by changing the age bucketing approach from three months to one month and modification in the due date calculation approach (i.e. the due date is calculated from the end of customer credit terms, instead of starting from invoice date as per the best practice). As a result of implementing the updated ECL model, a net reversal of ECL provisions amounting to ₪ 33 million was recognized during the period.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Additional information regarding ECL including sensitivity and the Company's credit risk management is provided in Note 39 to these financial statements.

Long-term assumptions for employee benefits

Employees' end of service benefits represents obligations that will be settled in the future and require assumptions to project obligations. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates, employment turnover and future healthcare costs. Periodically, management of the Group consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employee defined benefit costs incurred. Further information

on the carrying amounts of the group's end of service benefits obligation and the sensitivity of those amounts to changes in inputs are provided in note 30.

Provisions

By their nature, provisions are dependent upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Provisions for litigation are based on an estimate of the costs, taking into account legal advice and other information presently available. Provisions for termination benefits and exit costs, if any, also involve management's judgement in estimating the expected cash outflows for other exit costs. Provisions for uncertain liabilities involve management's best estimate of whether cash outflows are probable.

5. SUBSIDIARIES

The following is the details of the subsidiaries directly owned by the Company and included in these consolidated financial statements:

Subsidiaries	Country of incorporation	Ownership %	
		2025	2024
Saudi Telecom Company Solution for Information Technology (Owned by One Person) (a)	Egypt	100%	100%
Giza Systems Company (b)	Egypt	88.19%	88.19%
Contact Center Company (c)	Saudi Arabia	100%	100%
Amanah Tech Business Solutions Company (d)	Saudi Arabia	70%	-
Nawaf Alittisalat Company (e)	Saudi Arabia	100%	-

- Saudi Telecom Company Solution for Information Technology (Owned by One Person) is a Limited Liability Company registered in Cairo, Egypt under commercial registration numbered 130135 and dated 9 Jumada Awal 1440H (corresponding to 15 January 2019) with a capital of USD 70,000 (₪ 262,500) paid in cash. The subsidiary has 1,000 shares with a nominal value of USD 70 per share and it is fully owned by the Company. The principal activities of the subsidiary are information technology and communication industry including industrial activities in designing including designing in computer systems, electronics development, data centers development, software and e-learning development, data analysis, data management, communication and internet services, production of electronic contents, system integration, trainings and outsourcing services, software production. The entity is currently under the liquidation process.
- Giza System Company (S.A.E) was established on 19 Rabi AL Awwal 1409H (corresponding to 29th October 1988) in pursuance of the law No 159 of 1981, and its executive regulation and law No. 95 of 1992 in Egypt with a fully paid capital of EGP 90 million (₪ 17.2 million). The subsidiary has 9 million shares with a nominal value of EGP 10 per share. The principal activities of the subsidiary are selling and marketing computer software and electronic hardware, conducting amendment and development operations on

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

the computer software and hardware units and providing integrated solutions, designing engineering and scientific systems for computers and providing engineering consultations, Supplying, installing and maintaining educational laboratories (electric - electronic - mechanical) and implementing integrated projects within the scope of the abovementioned activities. The Company owns 34% direct interest in Giza Arabia System Company and indirectly through Giza System with effective ownership of Giza Arabia System Company to 92.21% as of reporting date.

During the period, the Group received EGP 3.75 million (equivalent to ₪ 282 thousand) from the non-controlling shareholders of ARIA Technologies, a subsidiary, as their proportional contribution (10%) to a capital increase. The transaction did not result in any change to the Group's ownership interest. An increase in NCI amounting to ₪ 282 thousand has been recognized in the consolidated statement of changes in equity and the relevant cashflow is included in proceeds from NCI under cash flows from financing activities.

- c. Contact Centers Company is a Limited Liability Company (the "Company") registered in Riyadh, Kingdom of Saudi Arabia under commercial registration numbered 1010299715 dated 22 Muharram 1432H (corresponding to 28 December 2010). The Company also operates through its branch in Jeddah under commercial registration numbered 4030265387 dated 16 Rabi Al-Thani 1435H (corresponding to 16 February 2014). The subsidiary has 450,000 shares with a nominal value of ₪ 10 per share. The Company is principally engaged in providing services related to submission of proposals and technical solutions in the field of telecommunications and information technology support and maintenance, systems development, support, and communications programs and information technology.
- d. Amanah Tech Business Solutions Company is a Limited Liability Company registered in the Kingdom of Saudi Arabia under commercial registration numbered 4030582679 issued in Jeddah on 14 Rabi Al Thani 1446H (corresponding to 17 October 2024) with a capital of ₪ 3 Million. The subsidiary has 300,000 shares with a nominal value of ₪ 10 per share. The Company's activities include installation and maintenance of electrical and communication wiring, computer networks, installation and maintenance of lighting systems, automation of gates, software publishing, analysis of operating systems, user interface design, robotics, 3D printing, virtual reality technologies, and artificial intelligence applications development. The initial capital injection was made in the current period. NCI amounting to ₪ 0.9 million representing 30% of the total capital has been recognised in the consolidated statement of changes in equity.
- e. Nawat Alittisalat Company (a single-member Company) is a Limited Liability Company registered in the Kingdom of Saudi Arabia under commercial registration numbered 7051649049 issued in Riyadh on 24 Rabi' Al Awwal 1447H (corresponding to 16 September 2025) with a capital of ₪ 1.0 Million. The subsidiary has 10 shares with a nominal value of ₪ 100,000 per share. The Company's activities include provision of wired internet services, satellite telecom services, short message (SMS) services, data processing, website hosting and related services. No transactions have been recorded in relation to this Company during the period and the initial share capital is yet to be injected as of the reporting date.

6. REVENUE

The following is the analysis of the Group's revenue:

	2025	2024
Core ICT Services	6,388,722	6,187,720
IT Managed and Operational Services	4,358,600	3,947,622
Digital Services	1,982,867	1,928,555
	12,730,189	12,063,897

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	2025	2024
Type of customers		
Sell through STC and sell to direct customers (STC is not the end customer)(*)	8,532,716	7,762,576
Sell to STC & its subsidiaries (STC & its subsidiaries are the end customers)	4,197,473	4,301,321
	12,730,189	12,063,897
Timing of revenue recognition		
Goods or services transferred to customers:		
- over time(*)	11,260,442	10,616,823
- at a point in time	1,469,747	1,447,074
	12,730,189	12,063,897
Principal vs Agent		
Revenue as principal(*)	12,692,040	11,985,628
Revenue as agent	38,149	78,269
	12,730,189	12,063,897
Geographical markets		
Kingdom of Saudi Arabia(*)	11,921,397	11,384,330
Outside the Kingdom of Saudi Arabia	808,792	679,567
	12,730,189	12,063,897

(*)Includes ₪ 109 million (2024: ₪ 113 million) operating lease income (Note 29)

7. GENERAL AND ADMINISTRATION EXPENSES

	2025	2024
Employee related costs	428,947	420,692
Professional services (*)	83,558	82,133
Depreciation and amortization	78,079	76,958
IT expenses	64,592	64,660
Hospitality, corporate gatherings, utilities and office expenses	39,861	46,518
Rent expenses	8,277	12,262
Business travel expenses	4,555	4,014
Provision for advances to suppliers	1,991	73
Other G&A expenses (**)	20,965	12,921
	730,825	720,231

(*) includes the total fees of the Group's primary external auditor and its global members firms for audit and non-audit services amounting to ₪ 4.7 million for the year ended 31 December 2025 (2024: ₪ 1.6 million)

(**) includes research related costs amounting to ₪ 161 thousand (2024: ₪ 280 thousand)

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

8. SELLING AND DISTRIBUTION EXPENSES

	2025	2024
Employees related costs	279,432	281,336
ECL (reversal) / charge on trade receivables and contract assets (Notes 4,14 & 16)	(45,266)	50,398
Selling and marketing expenses	48,160	47,862
Depreciation and amortization	13,398	11,756
IT expenses	6,942	6,486
Business travel expenses	2,991	4,350
	305,657	402,188

9. OTHER EXPENSES, NET

	2025	2024
Gain on sale of AVL service channel (9.1)	-	68,300
Early retirement program expense (9.2)	(21,341)	(73,620)
Net foreign exchange loss	(18,625)	(56,205)
Remeasurement of contingent liability (9.3)	(3,259)	(9,774)
Loss on liquidation of subsidiaries (Note 1)	(619)	-
Currency translation differences recycled to profit or loss (Note 1)	(1,840)	-
Gain on investments at FVTPL (Note 18)	19,828	3,177
Other income	124	2,627
	(25,732)	(65,495)

9.1 Gain on sale of AVL service channel

On 22 Ramadhan 1445H (corresponding to 1 April 2024), the Group entered into an agreement with Internet of Things Technologies Company for Information Technology ("the Buyer" or "IoT") related to the sale of Automated Vehicle Locator ("AVL") services channel. The transaction was concluded on 22 Dhul Qa'dah 1445H (corresponding to 30 May 2024) upon completion of closing conditions, including receipt of consideration. The Group recognized a gain of ₪ 68.3 million in the consolidated financial statements.

9.2 Early retirement program

The Group has issued an early retirement program for its employees. During the period, an expense of ₪ 21.3 million was recognized in the consolidated financial statements related to the early retirement program (2024: ₪ 73.6 million).

9.3 Remeasurement of contingent liability

During 2025, the fair value of the contingent consideration liability recognised on the acquisition of an Equity accounted investee was reassessed. An expense of ₪ 3.3 million (2024: ₪ 9.8 million) was recognised in the consolidated statement of profit or loss.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

10. FINANCE COST

	2025	2024
Finance cost on borrowings	68,772	68,004
Finance cost on leases liabilities (Note 29)	17,423	3,752
Finance cost on unwinding of contingent consideration	2,773	1,744
	88,968	73,500

11. ZAKAT AND INCOME TAXES

For the years 2009 to 2020, the Company filed its Zakat through the Parent Company, as part of the consolidated Zakat return of the Parent Company, where the Parent company is liable for any assessments provided by ZATCA for the years from 2009 to 2020.

Effective from 1st January 2021, and based on approval from ZATCA, the Company started filing its Zakat returns separately and submitted all zakat returns until the end of 2024, with payment of zakat due based on those returns, and accordingly the Company received zakat certificates for those years. Further, it calculates, and records zakat provision based on the zakat base of its own financial statements, in accordance with the requirements of ZATCA. The Company completed the final assessment with ZATCA for all previous years including 2021, 2022 and 2023 with no amendments or liabilities.

The Group's zakat provision for the year ended 31 December 2025 amounted to ₪ 98.6 million (2024: ₪ 121.8 million) is charged to the consolidated statement of profit or loss. In 2025, no zakat reversals were recorded in relation to prior periods. During 2024, the zakat reversal of ₪ 103.9 million were recorded following completion of final assessments by ZATCA for all previous years up to 31 December 2023 for Solutions by STC.

The Group's zakat and tax payable are as follows:

	2025	2024
Zakat payable (Note 11.1)	123,284	131,714
Income tax payable (Note 11.2)	35,890	14,559
	159,174	146,273

11.1 The movement in zakat payable is as follows:

	2025	2024
Balance as at 1 January	131,714	218,864
Acquisition of subsidiary (Note 1)	-	476
Charge for the year	98,571	121,796
Reversal related to prior periods	-	(103,984)
Paid during the year	(107,001)	(105,438)
Balance as at 31 December	123,284	131,714

11.2 The movement in income tax payable was as follows:

	2025	2024
Balance as at 1 January	14,559	21,166
Charge for the year	44,130	26,043
Paid during the year	(24,423)	(24,133)
Effect of foreign currency exchange differences	1,624	(8,517)
Balance as at 31 December	35,890	14,559

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

11.3 The net zakat and tax charge included in the consolidated statement of profit or loss is as below:

	2025	2024
Zakat charge for the year	98,571	121,796
Zakat reversal related to prior periods	-	(103,984)
Income tax charge	44,130	26,043
Deferred tax reversal	(10,354)	(4,897)
Total amount included in the consolidated statement of profit or loss	132,347	38,958

12. CASH AND CASH EQUIVALENTS

	2025	2024
Murabaha deposits (Note 12.1)	1,564,602	900,271
Bank balances (Note 12.2)	183,594	226,716
Cash in hand	860	295
Expected credit losses on bank balances	(83)	(149)
Balance as at 31 December	1,748,973	1,127,133

12.1 This represent deposits placed with various banks and carry a profit rate of 3.5% to 5.6% (2024: 4.35% to 6.1%) per annum. The original maturity dates for all these deposits are less than three months.

12.2 Bank balances include an amount of ₪ 26.3 million (2024: Nil) that is required to be maintained as a security guarantee against a short term borrowing by one of the Group's subsidiaries. The restriction on these bank balances will end when the related facility is settled.

13. SHORT TERM MURABAHA

These represent the Murabaha deposits placed with various banks and carry a profit rate of 5.25% to 5.38% per annum (2024: 5.60% to 6.10%). The maturity dates for all these deposits are more than three months and less than one year from the date of original placement date.

14. TRADE RECEIVABLES

	2025	2024
Gross trade receivables from government and private entities	3,449,208	2,964,908
Less: allowance for expected credit losses	(381,155)	(416,616)
Net trade receivable from government and private entities	3,068,053	2,548,292
Gross amounts due from Parent Company and its subsidiaries (Note 39)	1,645,105	1,270,479
Less: allowance for expected credit losses	(53,381)	(60,161)
Net amounts due from Parent Company and its subsidiaries	1,591,724	1,210,318
Total trade receivable as at 31 December	4,659,777	3,758,610

The expected average credit period on sales of goods and provision for services is between 30 to 90 days. No finance income is charged on trade receivables.

The Group performs credit-vetting procedures before granting credit to new customers. These procedures are reviewed and updated on an ongoing basis. There have been no changes to these procedures from the previous year.

Customers are grouped according to their credit characteristics, including whether they are private or not and whether sovereign or non-sovereign. The customers grouped in a particular segment such as private, government, Parent Company and its subsidiaries.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Since the Group considers the homogeneity of economic characteristics of the company/individual for segmentation. Based on the customers' segmentations the allowance for the impairment has been assessed. The Group does not have trade receivable for which no loss allowance is recognized because of collateral.

One of the Group's debtors represents 10% (2024: 9%) of the total trade receivables balance excluding the Parent Company and its subsidiaries' balances.

Movement in the allowance for expected credit losses related to trade receivables from government and private entities:

	2025	2024
Balance as at 1 January	416,616	378,664
Acquisition of subsidiary	-	292
Trade receivables written off	-	(4,420)
Net (reversal)/charge for the year	(34,079)	52,791
Effect of foreign currency exchange differences	(1,382)	(10,711)
Balance as at 31 December	381,155	416,616

Movement in the allowance for expected credit losses related to amounts due from Parent Company and its subsidiaries' balances:

	2025	2024
Balance as at 1 January	60,161	74,165
Net reversal for the year	(6,780)	(14,004)
Balance as at 31 December (*)	53,381	60,161

(*) Includes ₪ 44.1 million (2024: ₪ 45.0 million) pertaining to receivables for which STC is not the end customer.

Ageing of the trade receivables are as follows:

	2025	2024
Age of Gross trade receivables (government and private entities)		
Private		
Not due	713,662	856,602
1 to 90 days	321,294	243,605
91 to 180 days	149,508	131,391
181 to 365 days	187,325	122,342
Over 365 days	128,365	124,298
	1,500,154	1,478,238
Government		
Not due	837,558	506,965
1 to 90 days	446,242	320,356
91 to 180 days	132,046	161,544
181 to 365 days	152,832	208,274
Over 365 days	380,376	289,531
	1,949,054	1,486,670
Total Gross trade receivables	3,449,208	2,964,908

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	2025	2024
Aging of related ECL on trade receivables (government and private entities) *		
Private		
Not due	47,871	75,368
1 to 90 days	50,211	13,920
91 to 180 days	24,338	39,793
181 to 365 days	65,330	62,131
Over 365 days	58,205	103,686
	245,955	294,898
Governmental		
Not due	2,880	1,688
1 to 90 days	3,735	4,711
91 to 180 days	453	1,807
181 to 365 days	17,422	3,603
Over 365 days	110,710	109,909
	135,200	121,718
Total allowance for expected credit losses	381,155	416,616

(*) Refer to note 38 for exposures to credit risk and ECLs for trade receivables and contract assets from private customers.

Age of unimpaired amounts due from Parent Company and its subsidiaries

	Total	Not due	Past due but not impaired			
			1 – 90 days	91 – 180 days	181 – 365 days	Over 365 days
2025	1,591,724	1,067,922	420,587	73,700	21,965	7,480
2024	1,210,318	790,570	230,307	142,261	18,016	29,164

15. PREPAYMENTS AND OTHER ASSETS

	Notes	2025	2024
Other receivables	15.1	178,840	145,035
Advances to suppliers, net	15.2	148,544	85,947
Cost to fulfil contracts	15.3	113,592	80,321
Prepaid expenses		90,849	96,737
Net investment in finance lease – Current	29	52,470	22,784
Deposits, net		5,195	5,621
Balance as at 31 December		589,490	436,445

15.1 Other receivables include an amount of ₪ 3.0 million (2024: ₪ 3.0 million) due from related parties (note 39).

15.2 This represents the advances paid to the suppliers in relation to certain projects. The balance includes a provision amounting to ₪ 8.24 million (2024: ₪ 8.24 million).

15.3 This represents the current portion of costs to fulfil contract capitalized under IFRS 15 which will be subsequently amortized to the consolidated statement of profit or loss.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

16. CONTRACT ASSETS

Contract assets represent the value of work executed by the Group during the year, which has not been billed to customers as at the reporting date. Upon completion of the billing cycle, the amounts recognized as contract assets are reclassified to trade receivables.

	2025	2024
Gross contract assets	3,013,887	2,297,064
Less: allowance for expected credit losses	(43,649)	(47,693)
Balance as at 31 December	2,970,238	2,249,371

During the year ended 31 December 2025, expected credit losses reversal amounting to ₪ 4.4 million (2024: charge of ₪ 11.6 million) has been recorded against the contract assets and is included in the consolidated statement of profit or loss. Other changes in the balances of contract assets during the year are arising from normal business operations.

The movement in the allowance for expected credit losses related to contract assets for the year ended 31 December is as follows:

	2025	2024
Balance as at 1 January	47,693	39,816
(Reversal)/charge for the year	(4,407)	11,611
Effect of foreign currency exchange differences	363	(3,734)
Balance as at 31 December	43,649	47,693

17. INVENTORIES

	2025	2024
Materials and supplies	444,189	256,439
Less: allowance for slow moving and obsolete inventory	(37,948)	(44,308)
Balance as at 31 December	406,241	212,131

The Group has charged inventories amounting to ₪ 2,521 million for the year ended 31 December 2025 (2024: ₪ 1,703 million) to the consolidated statement of profit or loss under cost of revenue.

The movement in the allowance for slow moving and obsolete inventories was as follows:

	2025	2024
Balance as at 1 January	44,308	58,573
Net reversal for the year	(6,516)	(13,898)
Effect of foreign currency exchange differences	156	(367)
Balance as at 31 December	37,948	44,308

The reversal of provision arises from utilization of slow moving inventory for which a provision has been previously recorded.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

18. NON-CURRENT INVESTMENTS AND OTHER ASSETS

	Notes	2025	2024
Net investment in finance lease – non current	29	182,321	40,789
Financial assets measured at FVTPL	18.1	144,880	125,052
Cost to fulfil contracts	18.2	100,336	58,631
Deferred tax assets		41,532	32,633
Employees loans receivable		11,898	11,345
Balance as at 31 December		480,967	268,450

18.1 During 2023, the Group invested ₪ 121.9 million in an equity instrument and the investment was classified as fair value through profit or loss. The Group does not have significant influence over the investee. During the year ended 31 December 2025, the Group has recognized an unrealized gain of ₪ 19.8 million (2024: ₪ 3.2 million) for the change in fair value of the investment in the consolidated statement of profit or loss.

18.2 This represents the cost to fulfil a contract capitalized under IFRS 15 which will be subsequently amortized to the consolidated statement of profit or loss.

19. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

19.1 Investment in Associates

The carrying amount of the Group's investment in associates is as below:

	2025	2024
Individually material associate (Note 19.1.2)	346,081	339,399
Not individually material associates (Note 19.1.3)	978	1,287
Total carrying amount of Group's investment in associates	347,059	340,686

19.1.1 Details of the associates

Name of associate	Country of incorporation	Ownership %	
		2025	2024
Devoteam Middle East – (a, 19.1.2)	United Arab Emirates	40.00%	40.00%
Giza Systems Company for Electromechanical Contracting – (b)	Egypt	50.01%	50.01%
InFact LLC – (c)	Saudi Arabia	25.00%	-

- a) Devoteam Middle East ("DME") is a leading IT consulting company in the Middle East, specializing in digital transformation, cyber and cloud solutions, and business process optimization. This investment was acquired in 2024 (Refer to Note 19.1.2) below.
- b) Giza Systems Company for Electromechanical Contracting ("GSEC") was established in 2011 to execute operation works, engineering consultancy, evaluations of systems and electronic devices and computers. The investment is indirectly owned through GIZA systems with 50.01% ownership and was acquired in 2022 as part of the GIZA Group.
- c) InFact LLC is a Limited Liability Company incorporated in the KSA and is registered under Commercial Registration number 1009184064 issued in Riyadh on 26 Rajab 1446H (corresponding to 26 January 2025). This investment is indirectly owned through GIZA Arabia Systems Company with 25% ownership. The Company has had no transactions since incorporation and is not individually material to the Group as of 31 December 2025.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

The Group does not have any contingent liabilities related to the equity accounted investees except as may have been disclosed elsewhere in these financial statements. (2024: Nil).

19.1.2 Individually material associate – Devoteam Middle East

On 1 February 2024, the Group completed the acquisition of 40% stake in Devoteam Middle East the ("DME") for cash consideration of ₪ 297.86 million and contingent consideration of ₪ 34.9 million at acquisition date related to the earn-out payment that is expected to be settled upon achieving certain profitability parameters as per the sale and purchase agreement. The carrying amount of the investment at the end of the year includes embedded goodwill amounting to ₪ 188 million (31 December 2024: ₪ 188 million) and identified intangible assets (Customer relationships and Backlog) with a total carrying amount of ₪ 72 million (31 December 2024: ₪ 84 million). The identified intangible assets (Customer relationships and Backlog) are amortized over the periods of 11 and 3 years, respectively.

During the year, the Group received dividends amounting to ₪ 4.0 million (2024: Nil) from DME.

Contingent consideration

Refer to Note 24 for details regarding the contingent consideration liability arising from the acquisition of DME.

Financial information on individually material associate

The tables below provide summarized financial information of the individually material associate of the Group. The information disclosed prior to the reconciliation to the Group's carrying amount reflects the amounts presented in the latest available financial statements of the relevant investee and not the Group's share of those amounts.

Statement of Financial position

	2025	2024*
Current assets	573,508	444,367
Non-current assets	10,783	10,656
Current liabilities	(242,040)	(218,198)
Non-current liabilities	(126,160)	(68,433)
Net assets as at 31 December	216,091	168,392

Statement of profit / loss and other comprehensive income

	2025	2024*
Revenue	581,985	461,139
Net income	59,407	45,543
Other comprehensive loss	(856)	-
Total comprehensive income	58,551	45,543

* 2024 figures are from the date of acquisition of the associate

	2025	2024
Share in net income (**)	24,361	18,217
Adjustment to reflect effect of PPA intangible asset amortisation	(12,606)	(11,556)
Share of profit recognised in profit and loss (adjusted equity method income)	11,755	6,661
Share of other comprehensive loss (**)	(1,072)	-

** includes the share of prior year profit amounting to ₪ 0.5 million and share of other comprehensive loss of ₪ 0.7 million from DME recognised in the current period upon finalization of the associate's financial statements.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

The following is the reconciliation of the above information to the carrying amount of the Group's interest in DME.

	2025	2024
Reconciliation:		
Group's share in equity accounted investee	40%	40%
Share in net assets of the equity accounted investee	86,436	67,357
Embedded Goodwill	187,882	187,882
Other adjustments (includes carrying amount of identified intangible assets)	71,763	84,160
Carrying amount of Investment	346,081	339,399

19.1.3 Financial information on not individually material associates

	2025	2024
Group's share in net loss	(391)	(843)
Carrying amount of investment in associate	978	1,287

19.2 Investment in Joint Venture

The Company has an investment in Nile Middle East Limited Company (Nile ME) (A Joint Venture). The entity is registered under Commercial Registration number 1009197932 issued in Riyadh on 17 Sha'ban 1446H (corresponding to 13 February 2025). The initial capital injection of SAR 0.375 million was made in the current year. The Company has had no significant transactions since incorporation and is therefore not individually material to the Group as of 31 December 2025.

The financial information of this joint venture for the year ended 31 December 2025 is as below:

	2025
Group's share in net profit	301
Carrying amount of investment in joint venture	676

20. INTANGIBLE ASSETS AND GOODWILL

	Goodwill (note 20.1)*	Software	Others (note 1)*	Capital work- in-progress	Total
COST:					
As at 1 January 2024	311,337	311,545	259,626	6,620	889,128
Additions	-	36,466	-	11,155	47,621
Acquisition of subsidiary (Note 1)	12,409	-	11,561	-	23,970
Transfer	-	4,683	-	(4,683)	-
Disposal	-	(60)	-	-	(60)
Effect of foreign currency exchange differences	(34,089)	-	(31,559)	-	(65,648)
As at 1 January 2025	289,657	352,634	239,628	13,092	895,011
Additions	-	48,853	-	31,179	80,032
Additions under IFRIC 12 (Note 23)	-	-	45,997	-	45,997
Transfer	-	24,836	-	(24,836)	-
Effect of foreign currency exchange differences	3,630	-	3,265	-	6,895
As at 31 December 2025	293,287	426,323	288,890	19,435	1,027,935

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Goodwill (note 20.1)*	Software	Others (note 1)*	Capital work- in-progress	Total
ACCUMULATED AMORTIZATION:					
As at 1 January 2024	-	225,192	38,435	-	263,627
Amortization	-	44,385	34,262	-	78,647
Disposal	-	(60)	-	-	(60)
Effect of foreign currency exchange differences	-	-	(7,016)	-	(7,016)
As at 1 January 2025	-	269,517	65,681	-	335,198
Amortization	-	43,855	39,020	-	82,875
Effect of foreign currency exchange differences	-	-	1,379	-	1,379
As at 31 December 2025	-	313,372	106,080	-	419,452
Net book value as at 31 December 2024	289,657	83,117	173,947	13,092	559,813
Net book value as at 31 December 2025	293,287	112,951	182,810	19,435	608,483

* Others includes intangible assets recognised from purchase price allocation exercises completed by the Group on acquisition of businesses, as well as intangible assets arising from Service concession arrangements.

* Prior period figures adjusted following completion of the Purchase Price Allocation exercise for LABS (Note 1)

The amortization charge for the year, as reported in the consolidated statement of profit or loss is allocated as follows:

	Notes	2025	2024
Cost of revenue		43,209	43,607
General and administration expenses	7	26,323	23,351
Selling and distribution expenses	8	13,343	11,689
		82,875	78,647

20.1 Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. This goodwill arose on acquisition of equity stake in Giza Group, Contact Center Company and LABS in October 2022, April 2023 and May 2024 respectively. The carrying amount of goodwill as of reporting date is as follows:

	Notes	2025	2024
Giza Group	20.1.1	136,986	133,356
Contact Center Company	20.1.2	143,892	143,892
LABS*	20.1.3, 1	12,409	12,409
Balance as at 31 December*		293,287	289,657

* Prior period figure adjusted following completion of the Purchase Price Allocation exercise for LABS (Note 1 and 43)

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

20.1.1 The goodwill arose on acquisition of equity interest in Giza Systems and Giza Arabia (together referred as "Giza Group"). Goodwill on Giza Group is allocated to following CGUs, such as Giza Systems, Giza Arabia and VAS for the purpose of impairment testing. As of 31 December 2025, the carrying amounts of these CGUs are Giza Systems: ₪ 344 million (2024: ₪ 32.2 million), Giza Arabia: ₪ 79.1 million (2024: ₪ 79.1 million) and VAS: ₪ 23.5 million, (2024: ₪ 22.0 million).

At the reporting date, management has determined that the recoverable amount of this goodwill is higher than the carrying amount of goodwill. The recoverable amount was determined on the basis of value in use calculations. These calculations use cash flow projections based on a business plan approved by the management. Cash flows are estimated over the three-year periods for each CGUs and cash flows beyond the estimated period are based on assumption of terminal growth rate.

The discount rate was an estimate of the weighted average cost of capital as of 31 December 2025 based on market rates adjusted to reflect management's estimate of the specific risks relating to each CGUs of Giza Group.

The cash flows related to each CGUs are discounted using discount rates of Giza Systems 19.0%, Giza Arabia 10.4% and VAS 16.6%.

The terminal growth rates are based on management best estimation specific to the industry in which the CGUs operate. Cash flows are estimated to grow at a rate of 5% for Giza Systems and VAS and 2% for Giza Arabia from terminal year.

The value in use calculation is sensitive to the discount rate and the terminal growth rate. As of 31 December 2025, a reasonably possible change in discount rate (+1%) and terminal growth rate (-1%) is not expected to result in impairment.

20.1.2 The goodwill arose on acquisition of equity interest in CCC is treated as single CGU for the purpose of impairment testing. As of 31 December 2025, the carrying amount of CCC goodwill is ₪ 143.9 million (2024: ₪ 143.9 million).

At the reporting date, management has determined that the recoverable amount of this goodwill is higher than the carrying amount of goodwill. The recoverable amount was determined on the basis of value in use calculations. These calculations use cash flow projections based on the business plan approved by the management. Cash flows are estimated over a three-year period and cash flows beyond the estimated period are based on assumption of terminal growth rate.

The discount rate was an estimate of the weighted average cost of capital as of 31 December 2025 based on market rates adjusted to reflect management's estimate of the specific risks relating to CCC CGU. The cash flows related to CCC CGU are discounted using a discount rate of 10.8%.

The terminal growth rate is based on management's best estimation specific to the industry in which the CGU operates. Cash flows are estimated to grow at a rate of 2% from the terminal year.

The value in use calculation is sensitive to the discount rate and the terminal growth rate. As of 31 December 2025, a reasonably possible change in discount rate (+1%) and terminal growth rate (-1%) is not expected to result in impairment.

20.1.3 The goodwill arose on acquisition of equity interest in LABS is treated as single CGU for the purpose of impairment testing. As of 31 December 2025, the carrying amount of LABS goodwill is ₪ 12.4 million (2024: ₪ 12.4 million).

At the reporting date, management has determined that the recoverable amount of this goodwill is higher than the carrying amount of goodwill. The recoverable amount was determined on the basis of value in use calculations. These calculations use cash flow projections based on the business plan approved by the management. Cash flows are estimated over a three-year period and cash flows beyond the estimated period are based on assumption of terminal growth rate.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

The discount rate was an estimate of the weighted average cost of capital as of 31 December 2025 based on market rates adjusted to reflect management's estimate of the specific risks relating to LABS CGU. The cash flows related to LABS CGU are discounted using a discount rate of 16.2%.

The terminal growth rate is based on management's best estimation specific to the industry in which the CGU operates. Cash flows are estimated to grow at a rate of 2% from the terminal year.

The value in use calculation is sensitive to the discount rate and the terminal growth rate. As of 31 December 2025, a reasonably possible change in discount rate (+1%) and terminal growth rate (-1%) is not expected to result in impairment.

21. PROPERTY AND EQUIPMENT

31 December 2025	Computer hardware	Furniture and office equipment	Land and Building	Leasehold improvements	Motor vehicles	Super-computers	Capital work-in-progress	Total
COST:								
Balance as at 1 January 2025	539,609	117,227	9,124	165,060	5,881	466,695	12,678	1,316,274
Additions	58,990	8,407	-	20,608	407	-	22,648	111,060
Transfer	18,651	-	-	13,532	-	-	(32,183)	-
Disposal	(16,748)	(16,192)	-	(26,799)	(366)	-	-	(60,105)
Effect of foreign currency exchange differences	479	260	468	-	26	-	46	1,279
Balance as at 31 December 2025	600,981	109,702	9,592	172,401	5,948	466,695	3,189	1,368,508
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
Balance as at 1 January 2025	382,404	90,774	1,886	132,373	5,325	278,249	-	891,011
Depreciation	72,401	8,235	172	21,076	477	69,300	-	171,661
Disposal	(16,748)	(14,811)	-	(26,168)	(366)	-	-	(58,093)
Effect of foreign currency exchange differences	378	209	100	-	23	-	-	710
Balance as at 31 December 2025	438,435	84,407	2,158	127,281	5,459	347,549	-	1,005,289
NET BOOK VALUE	162,546	25,295	7,434	45,120	489	119,146	3,189	363,219

31 December 2024	Computer hardware	Furniture and office equipment	Land and Building	Leasehold improvements	Motor vehicles	Super-computers	Capital work-in-progress	Total
COST:								
Balance as at 1 January 2024	519,913	126,374	12,794	155,930	5,603	339,979	2,754	1,163,347
Acquisition of subsidiary (Note 1)	-	422	-	-	-	-	-	422
Additions	8,407	2,740	953	9,080	1,589	-	184,806	207,575
Transfer	46,866	360	-	510	-	126,716	(174,452)	-
Disposal	(30,461)	(10,820)	-	(460)	-	-	(404)	(42,145)
Effect of foreign currency exchange differences	(5,116)	(1,849)	(4,623)	-	(1,311)	-	(26)	(12,925)
Balance as at 31 December 2024	539,609	117,227	9,124	165,060	5,881	466,695	12,678	1,316,274

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

31 December 2024	Computer hardware	Furniture and office equipment	Land and Building	Leasehold improvements	Motor vehicles	Super-computers	Capital work-in-progress	Total
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
Balance as at 1 January 2024	339,572	92,701	3,012	114,231	4,925	218,557	-	772,998
Acquisition of subsidiary (Note 1)	-	225	-	-	-	-	-	225
Depreciation	75,088	9,997	169	18,602	462	59,692	-	164,010
Disposal	(30,461)	(10,661)	-	(460)	-	-	-	(41,582)
Effect of foreign currency exchange differences	(1,795)	(1,488)	(1,295)	-	(62)	-	-	(4,640)
Balance as at 31 December 2024	382,404	90,774	1,886	132,373	5,325	278,249	-	891,011
NET BOOK VALUE	157,205	26,453	7,238	32,687	556	188,446	12,678	425,263

The depreciation charge for the year, as reported in the consolidated statement of profit or loss is allocated as follows:

	Notes	2025	2024
Cost of revenue		145,620	134,383
General and administration expenses	7	25,986	29,560
Selling and distribution expenses	8	55	67
		171,661	164,010

22. RIGHT-OF-USE ASSETS

Below is the movement of the right-of-use assets under the application of IFRS 16, Leases:

	Land, Buildings and Vehicles	Hardware	Data Center	Total
Balance as at 1 January 2024	47,780	2,520	-	50,300
Additions	55,975	-	33,851	89,826
Disposals	(4,700)	-	-	(4,700)
Effect of foreign currency exchange differences	(1,299)	-	-	(1,299)
Depreciation charge for the year	(41,858)	(796)	(1,693)	(44,347)
Balance as at 31 December 2024	55,898	1,724	32,158	89,780
Additions	149,543	-	233,244	382,787
Disposals	(8,960)	-	-	(8,960)
Effect of foreign currency exchange differences	(340)	-	-	(340)
Depreciation charge for the year	(47,028)	(796)	(43,620)	(91,444)
Balance as at 31 December 2025	149,113	928	221,782	371,823

The Group has applied the practical expedient in IFRS 16 which allows a lessee not to separate non-lease components and instead account for any lease and associated non lease components as a single arrangement for some of the contracts entered during the year.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

The depreciation charge for the year, as reported in the consolidated statement of profit or loss is allocated as follows:

	Notes	2025	2024
General and administration expenses	7	25,770	24,047
Cost of revenue		65,674	20,300
		91,444	44,347

The Group has not recognized short-term and low-value leases as a right of use assets, and therefore lease payments associated with these contracts were recognized as expenses. For the year ended 31 December 2025, ₪ 8.2 million (2024: ₪ 12.2 million) were recognized as expenses in the consolidated statement of profit or loss.

23. SERVICE CONCESSION ARRANGEMENTS

During the year 2024, the Company entered into an agreement with REMAT Al-Riyadh Development Company ("REMAT") for building and managing public parking infrastructure across the city of Riyadh in the Kingdom of Saudi Arabia (herein referred to as "Project"). Under the initial agreement, the Company shall build the infrastructure for parking, operate and maintain it for a period 10 years and whereas in return, REMAT granted the Company a right to charge the public ("customers") for using the public parking facilities. During the year ended 31 December 2025, an addendum to the above agreement was signed and accordingly the contract period has been extended by 5 years bringing the total concession period to 15 years.

Revenue generated from parking charges from the customers is to be shared between the Company and REMAT as per the agreement and all the costs related to the project are to be borne by the Company. At the expiry of the contract, the Company shall transfer the ownership of all the infrastructure/assets related to the project to REMAT.

As of 31 December 2025, the Company partially completed the construction of the infrastructure facilities and commenced operation of the completed parking spaces. Accordingly, the Company has recognized intangible assets amounting to ₪ 46 million (31 December 2024: Nil) in the consolidated financial statements. The Company expects to complete the remaining activities of the infrastructure during the year 2026.

During the year 2025, the Company recognized ₪ 25.6 million (2024: ₪ 28 million) and ₪ 6.1 million (2024: ₪ 0.1 million) as revenue from construction and operation activities of the project, respectively.

As of 31 December 2025, out of the total issued purchase orders, ₪ 19.9 million (2024: 31.93 million) of the construction scope has not been delivered and is expected to be completed during the next year.

24. TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES

	Notes	2025	2024
Trade payables	24.1	1,466,849	1,375,771
Accrued expenses	24.1	1,342,861	1,149,063
Accrued project costs		1,239,876	973,207
Lease liabilities	29	180,460	38,970
Amounts due to related parties	39	178,547	251,444
Accrued connectivity charges	24.2	42,215	88,891
Contingent consideration liability	24.3	52,425	-
Value added tax	24.4	8,368	8,383
Balance as at 31 December		4,511,601	3,885,729

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

24.1 Accrued expenses include an amount of ٢٩٩ million (2024: ١٦٨ million) due to STC (Note 39). Trade payables are normally settled within 90 days of the invoice dates.

24.2 Accrued connectivity charges relate to accrued amounts due to the regulator.

24.3 At the acquisition date, the fair value of the contingent consideration liability was estimated to be ٣٤٩ million. As of 31 December 2025, the fair value of the contingent consideration liability is ٥٢٤ million (2024: ٤٦٤ million). The contingent consideration is due in 2026; and accordingly, the balance has been reclassified from non-current liabilities (Note 28) to current liabilities as of 31 December 2025.

24.4 Value added tax includes an amount of ٣ million receivable from STC (2024: receivable of ١٨ million) - (Note 39).

25. DEFERRED REVENUE

This represents billings issued to customers in excess of the value of work executed by the Group, as per the terms of billings in the contract agreement with the customers as of the reporting date. Revenue recognised during the year that was included in the Deferred Revenue balance at the beginning of the year amounted to ١,٤٥٣ million (2024: ١,٨٢١ million).

26. CONTRACT LIABILITIES

Contract liabilities represent amounts received from the Group's customers which will be applied against future billings.

27. BORROWINGS

	Notes	2025	2024
Short term			
Short term Murabaha Facilities – Giza Group	27.1	89,474	31,003
Other short-term facilities	27.2	61,271	62,024
Balance as at 31 December		150,745	93,027
Long term			
Long term Murabaha Facility – Solutions by stc	27.3	499,626	499,377
Long term Murabaha Facilities – Giza Group	27.1	132,007	142,894
Balance as at 31 December		631,633	642,271

27.1 On January 31, 2024, the Group executed a joint financing agreement compliant with Islamic Sharia principles with multiple banks in Egypt, for the benefit of Giza Systems and its subsidiary ("GS"), VAS Integrated Solutions ("VAS"), amounting to EGP 2.82 billion or USD 84.0 million (equivalent to ٣١٥ million). This agreement is guaranteed by Solutions by stc and aims to refinance the existing facilities of the Company under better terms and at lower financing costs, to support the growth, expansion, and development of the Group and its subsidiaries in Egypt. During the period, Giza and VAS completed drawdowns of remaining amounts from these Murabaha facilities and balances are shown as at reporting date.

27.2 This represents the short-term loans held by the Group's subsidiary.

27.3 As of 31 December 2025, the Group has Islamic Sharia compliant banking facilities arrangement with local banks amounting to ٢.٠ billion. The facilities consist of a medium-term financing amounting to ٥٠٠ million which was already withdrawn in June 2022. The principal on this facility is repayable in one instalment due in June 2027 and interest is payable on a semi-annual basis. The Group also has short-term banking facilities amounting to ١.٥ billion (including a facility with a limit of ٥٠٠ million obtained in September 2025) to be utilized for issuing LC/LG and available as working capital financing. The facility is secured against a promissory notes signed by the Group.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

27.4 On 25 November 2024, the Group's subsidiary (CCC) executed a short-term financing agreement compliant with Shariah principles with a bank in KSA with a facility limit amounting to ٥٠٠ million. The facility is secured by a promissory note signed by Contact Centre Company (CCC). The facility has been only utilized for issuance of Letters of Credit, and there has been no cash drawdown as at 31 December 2025.

Some of the Group's borrowings contain covenants which the Group has duly complied with during the reporting period.

28. LEASE AND OTHER LIABILITIES

	Notes	2025	2024
Lease liabilities	29	235,803	57,210
Contingent consideration liability	19, 24	-	46,393
Balance as at 31 December		235,803	103,603

29. LEASES

As a lessee:

	2025	2024
Balance as at 1 January	96,180	61,196
Additions to lease liabilities	382,787	89,826
Finance cost (Note 10)	17,423	3,752
Payments	(72,289)	(52,703)
Disposals	(9,763)	(4,728)
Effect of foreign currency exchange differences	1,925	(1,163)
Balance as at 31 December	416,263	96,180

The maturity analysis of undiscounted cash flows relating to leases payments are as follows:

	2025	2024
Less than 1 year	196,942	42,694
More than 1 year	271,452	62,114
Total undiscounted lease liabilities as at 31 December	468,394	104,808

Following is the presentation of the discounted lease liabilities in the consolidated statement of financial position:

	2025	2024
Current portion (included in Trade payable, accruals and other liabilities – Note 24)	180,460	38,970
Non-current portion	235,803	57,210
Total	416,263	96,180

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

As a lessor

Operating leases

The Group has entered into an operating lease arrangement for the lease of a remote computing facility for a customer that will be managed by the Group. The facility includes mainly supercomputers in addition to certain other tangible assets leased under this arrangement. The net carrying value of all such leased assets included in Notes 21 are as follows:

	2025	2024
Property and Equipment - Supercomputers	119,146	188,446
	119,146	188,446

The net carrying value of other tangible assets included in the arrangement as of 31 December 2025 is ₪ 22.7 million (2024: ₪ 43.4 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2025	2024
Within one year	78,562	144,621
1 to 2 years	46,228	59,291
2 to 3 years	42,225	42,225
3 to 4 years	31,669	42,225
4 to 5 years	-	31,669
Total	198,684	320,031

Finance leases

The Group entered into a framework computing device lease and services agreement with one of its customers during the period. The Group has determined that orders arising from this agreement may contain both lease and non-lease components. The lease components have been classified as finance leases as these have been determined to transfer substantially all of the risks and rewards incidental to the underlying assets to the customer.

These leases have terms of between 3 and 5 years.

The net investment in finance leases consists of the below:

	2025	2024
Gross undiscounted lease receivable	264,190	74,266
Less: Unearned finance income	(29,399)	(10,693)
Net investment in finance leases	234,791	63,573
Analysed as:		
Current portion (Note 15)	52,470	22,784
Non-current portion (Note 18)	182,321	40,789
Total	234,791	63,573

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

The undiscounted amounts receivable under the finance leases are as below.

	2025	2024
Year 1	64,241	25,399
Year 2	64,241	13,919
Year 3	64,241	13,919
Year 4	58,610	13,919
Year 5	12,857	7,110
Total	264,190	74,266

The maturity of unearned finance income is as below:

	2025	2024
Year 1	9,337	2,613
Year 2	9,901	2,020
Year 3	6,544	2,020
Year 4	2,936	2,020
Year 5	681	2,020
Total	29,399	10,693

The following amounts are included in the consolidated statement of profit or loss:

	2025	2024
Finance income on the net investment in finance leases	14,790	278

The Group's finance lease arrangements do not include variable payments.

30. END OF SERVICE INDEMNITIES

	2025	2024
End of service indemnities	701,937	581,700

The Group grants end of service indemnities (DBO) to its employees taking into consideration the local labor law requirements in the Kingdom of Saudi Arabia. The benefit provided by this plan is a lump sum based on the employees' final salaries and allowance and their cumulative years of service at the date of the termination of employment. Subsidiaries located outside the Kingdom calculate end of service indemnities in accordance with applicable laws in those countries.

The benefit liability recognized in the consolidated statement of financial position in respect of defined benefit end of service plan is the present value of the DBO at the reporting date.

The DBO is calculated periodically by qualified actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using yields on high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Due to the lack of liquidity and the deep market constraints of local corporate bonds, reference needs to be made to the Saudi Government Issuance of US dollar denominated bonds rates.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Re-measurement amounts of actuarial gains and losses on the DBO, if any, are recognized and reported within the statement of consolidated other comprehensive income in the consolidated statement of changes in equity.

The following table represents the movement of the end of service indemnities:

	2025	2024
Balance as at 1 January	581,700	450,189
Acquisition from subsidiary (Note 1)	-	1,140
Total employee benefits expense recognized in profit or loss	134,550	133,334
Actuarial loss recognized in the other comprehensive income	58,292	53,184
Effect of foreign currency exchange differences	930	(932)
Payments	(73,535)	(55,215)
Balance as at 31 December	701,937	581,700

Significant actuarial assumptions

The most recent actuarial valuation was performed by the Actuarial Consultant and was performed using the projected unit credit method.

Sensitivity analysis

The principal assumptions used for the purposes of the actuarial valuation for significant entities were as follows:

	2025	2024
Attrition rates	4% to 46%	15% to 82%
Salary increment rate	1.6% to 5.0%	1.6% to 5.0%
Discount rate	4.2% to 5.0%	4.7% to 5.5%
Retirement age	58 to 65 years	58 to 65 years

The end of service indemnities balance is sensitive to the assumptions used and the sensitivity analysis of material assumptions is as follows:

2025	Change in Assumption	Base value	End of service indemnities	
			Increase in assumption	Decrease in assumption
Discount rate	1%	701,937	670,119	736,066
Salary increment rate	1%	701,937	735,796	669,949

2024	Change in Assumption	Base value	End of service indemnities	
			Increase in assumption	Decrease in assumption
Discount rate	1%	581,700	566,175	598,539
Salary increment rate	1%	581,700	598,554	565,918

Cost of revenue includes employees' costs amounting to ₪ 3,448 million (2024: ₪ 3,150 million).

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

31. SHARE CAPITAL

During the year 2020, the shareholder of the Company in the meeting held on 12 Safar, 1442H (corresponding to 29 September 2020) resolved to increase the share capital of the Company from ₪ 100 Million to ₪ 1,200 Million (divided into 120 Million shares of ₪ 10 each) and to change the legal form of the Company from a limited liability company to a closed joint stock company. The legal formalities for the increase in share capital and change of legal structure including approval by the Ministry of Commerce which were obtained on 8 Jumada al-ula, 1442H (corresponding to 23 December 2020) and issuance of ministerial resolution were completed on 16 Jumada al-ula, 1442H (corresponding to 31 December 2020).

	2025	2024
Authorized, issued and fully paid capital comprises:		
120 million fully paid ordinary shares at ₪ 10 each	1,200,000	1,200,000

The following are the number of outstanding shares during the year:

	2025	2024
Outstanding shares as at 1 January	118,999,585	118,977,193
Outstanding shares re-issued (Note 33)	41,267	22,392
The number of outstanding shares as at 31 December	119,040,852	118,999,585

32. OTHER RESERVES

	Foreign currency translation reserve	Re-measurement of end of service indemnities	Share based payments reserve	Share of OCI - EAI	Total
Balance as at 1 January 2024	(114,077)	32,663	21,551	-	(59,863)
Re-measurement of the end of service benefit provision (Note 30)	-	(53,184)	-	-	(53,184)
Share-based payment transactions (Note 32.1)	-	-	6,218	-	6,218
Foreign currency translations	(154,406)	-	-	-	(154,406)
Balance as at 31 December 2024	(268,483)	(20,521)	27,769	-	(261,235)
Re-measurement of the end of service benefit provision (Note 30)	-	(58,292)	-	-	(58,292)
Share-based payment transactions (Note 32.1)	-	-	4,375	-	4,375
Foreign currency translations	14,538	-	-	-	14,538
Reclassification to profit or loss on liquidation of subsidiaries (Note 1)	1,840	-	-	-	1,840
Share of Other comprehensive income from Equity Accounted Investee	-	-	-	(1,072)	(1,072)
Balance as at 31 December 2025	(252,105)	(78,813)	32,144	(1,072)	(299,846)

32.1 Share-based payment transactions

Certain employees of the Group receive remuneration in the form of equity settled share-based payments under the incentive rewarding program, whereby employees render services as consideration to receive fixed number of Company's shares.

During the year ended 2025, the Group recorded ₪ 10.01 million (2024: ₪ 9.1 million) as an expense in the consolidated statement of profit or loss, together with a corresponding increase in other reserves, in equity, over the period during which the vesting conditions are fulfilled.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

Up to the end of the year 2025, the granting and vesting dates, respectively, are as follows:

	Tranche 1	Tranche 2	Tranche 3
First cycle (Part 1)	May 2022 / May 2022	May 2022 / May 2023	May 2022 / May 2024
First cycle (Part 2)	May 2022 / May 2023	May 2022 / May 2024	May 2022 / May 2025
Second cycle	May 2023 / May 2024	May 2023 / May 2025	May 2023 / May 2026
Third cycle	May 2024 / May 2025	May 2024 / May 2026	May 2024 / May 2027
Fourth cycle	May 2025 / May 2026	May 2025 / May 2027	May 2025 / May 2028

During year 2025, the average fair value of shares granted during the year amounted to ₪ 264 per share (2024: ₪ 286 per share). The fair value was calculated based on the market price after deducting the expected dividends per share on the grant date.

The following table shows the number of shares granted and outstanding at the beginning and ending of the reporting period;

	2025	2024
At the beginning of the year	99,018	90,082
Shares granted during the year*	49,183	31,381
Shares vested or lapsed during the year	(45,870)	(22,445)
At the end of the year	102,331	99,018

* The number of shares granted has been updated to reflect the number of shares actually granted to eligible executives participating in the program who met all the conditions of granting.

33. TREASURY SHARES

On 29 September 2021, the Company purchased 1.2 million of its own shares from the Parent Company at cost of ₪ 151 per share, for cash consideration of ₪ 181 million. These shares are held by the Company as treasury shares in order to support its future employees' long-term incentive plans (see Note 32.1).

The following is the movement in the number of treasury shares during the year:

	2025	2024
Outstanding shares as at 1 January	1,000,415	1,022,807
Treasury shares re-issued	(41,267)	(22,392)
Treasury shares as at 31 December	959,148	1,000,415

34. DIVIDENDS DISTRIBUTION

The General Assembly, in its ordinary general meeting held on 06 May 2025, approved the Board of Directors' recommendation to distribute ordinary cash dividend of ₪ 8 per share and additional special cash dividend of ₪ 2 per share, totaling to ₪ 1,190 million (2024: ₪ 6 per share, amounting to ₪ 714 million). The dividends were paid on 27 May 2025.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

35. NON-CONTROLLING INTEREST

The table below shows details of significant non-controlling interests as at the reporting date.

Name of Subsidiary	Proportion of ownership and voting rights acquired by non-controlling interests		Non-controlling share of profit (loss) for the year ended 31 December		Non-controlling interests as of 31 December	
	2025	2024	2025	2024	2025	2024*
Giza Systems Company	11.81%	11.81%	9,878	6,183	39,810	25,502

* Amount was adjusted following completion of LABS PPA (Refer to notes 1 and 43)

Below is summarized financial information for Giza Group located in Egypt that has significant non-controlling interests to the Group. The amounts disclosed are before inter-company eliminations and translation impact.

Summarized balance sheet	2025	2024
Current assets	1,964,965	1,542,805
Current liabilities	(1,357,506)	(1,052,150)
Current net assets	607,459	490,655
Non-current assets	101,037	85,448
Non-current liabilities	(412,802)	(411,301)
Non-current net liabilities	(311,765)	(325,853)
Equity	295,694	164,802
Accumulated non-controlling interest	39,810	25,502

Below is a summarized statement of profit or loss and other comprehensive income as at the reporting date. The amounts disclosed are before inter-company eliminations and translation impact.

Summarized statement of profit or loss and other comprehensive income	2025	2024
Revenue	2,638,873	1,832,115
Net Profit for the year	111,825	83,953
Other comprehensive loss	1,557	(1,047)
Total comprehensive income	113,382	82,906

36. EARNINGS PER SHARE

The following is the calculation of basic and diluted earnings per share for the year ended 31 December:

	2025	2024
Net profit attributable to equity holders of the Parent Company	1,502,536	1,596,633
Weighted average no of shares for basic earnings per share (in '000s)	119,024	118,992
Weighted average no of ordinary shares repurchased (in '000s)	976	1,008
Weighted average no of shares for diluted earnings per share (in '000s)	120,000	120,000
Basic earnings per share attributable to equity holders of the Parent Company	12.62	13.42
Diluted earnings per share attributable to equity holders of the Parent Company	12.52	13.31

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

37. FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable input).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
As at 31 December 2025					
Financial asset measured at fair value through profit or loss (Note 18)	144,880	-	-	144,880	144,880
As at 31 December 2024					
Financial assets measured at fair value through profit or loss (Notes18)	125,052	-	-	125,052	125,052

- The fair value of other financial instruments has been assessed as approximate to the carrying amounts due to frequent re-pricing or their short-term nature.

There were no transfers between different levels of the fair value hierarchy during the year.

Valuation technique and significant unobservable inputs

Type	Valuation technique	Significant unobservable input
Financial assets measured at fair value through profit or loss	This represents investments in non-quoted equity instruments. The fair value of the investment is obtained from fair value reports as issued by the fund manager. The Backsolve valuation methodology was applied to estimate fair value.	Equity Volatility Time to exit

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

38. FINANCIAL RISK AND CAPITAL MANAGEMENT

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, equity price risk and currency risk. Financial instruments affected by market risk include trade payables, borrowings, deposits, debt and equity. The Group is not exposed to any equity price risk as of 31 December 2025 and 31 December 2024.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's presentation/functional currency is Saudi Arabian Riyal ("SAR"). Foreign currency risk arises from net investments in foreign operations. The risk is defined as the risk of fluctuation in spot exchange rates between the functional currency of the net investments and the Company's presentation currency i.e. SAR. This will cause the amount of the net investment to vary. Such a risk may have a significant impact on the Group's consolidated financial statements.

This translation risk does not give rise to cash flow exposure. Its impact arises only from the translation of the net investment into the group's presentation currency. This procedure is required in preparing the Group's consolidated financial statements as per the applicable IFRS.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in EGP exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in EGP to SAR conversion rate	SAR "000" Impact on net income Increase/ (decrease)	SAR "000" Impact on equity Increase/ (decrease)
31 December 2025	10% appreciation	(6,779)	41,309
	10% depreciation	6,779	(41,309)
31 December 2024	10% appreciation	1,027	41,706
	10% depreciation	(1,027)	(41,706)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate sensitivity

Based on the borrowings outstanding at 31 December 2025, if interest rates had been 1% higher or lower during the year and all other variables were held constant, the Group's net profit and equity would have decreased or increased by ₪ 7.5 million (2024: ₪ 6.9 million). This impact is primarily attributable to the Group's exposure to interest rates on its variable rate borrowings.

Profit and liquidity rate risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, access to supplier finance arrangements, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. There has been no change to this strategy from the previous year.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both profit and principal cash flows.

2025	Profit rate %	Within one year	More than one year	Total
Trade payables and accruals	NA	4,278,715	-	4,278,715
Contingent consideration liability	NA	52,424	-	52,425
Lease liabilities relating to right of use assets	1.5% to 18.3%	196,942	271,452	468,394
Borrowings	Multiple rates	209,820	670,002	879,822

2024	Profit rate %	Within one year	More than one year	Total
Trade payables and accruals	NA	3,847,643	-	3,847,643
Contingent consideration liability	NA	-	49,093	49,093
Lease liabilities relating to right of use assets	1.5% to 18.3%	42,694	62,114	104,808
Borrowings	Multiple rates	95,416	646,113	741,529

Credit risk management

Credit risk related to private customers is managed by the Group by establishing credit limits and monitoring outstanding receivables. Management does not believe that there is any significant credit risk associated with these receivables and is confident that they will be recovered. The Group is currently having most of its transactions with Saudi Telecom Company ("STC"), the Ultimate Parent Company, and also provide services to the Government. STC and the Government are recognized to have high credit ratings and hence credit risk is considered to be low. The Group does not expect any default in payment from such receivables, except in case of disputes. Other receivables are monitored on an on-going basis. Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets represent the maximum credit exposure. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The allowance for impairment of trade receivables and contract assets is created to the extent and as and when required, based upon the expected collectability of trade receivables. The Group uses a provision matrix to measure the ECLs of trade receivables and contract assets.

Loss rates are calculated using a 'roll rate' / 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates / flow rates are calculated separately for exposures in different segments based on the common credit risk characteristics.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from private customers as at 31 December 2025:

31 December 2025	Gross carrying amount	Weighted average loss rate	Loss allowance
Unbilled	683,291	3.98%	27,204
Not due	713,662	6.71%	47,871
1 - 90 days	321,294	15.63%	50,211
91 - 180 days	149,508	16.28%	24,338
181 - 270 Days	171,434	35.18%	60,303
271 - 365 Days	15,891	31.63%	5,027
More than 1 year	128,365	45.34%	58,205
	2,183,445		273,159

31 December 2024	Gross carrying amount	Weighted average loss rate	Loss allowance
Unbilled	642,769	5.69%	36,591
Not due	856,602	8.80%	75,368
1 - 90 days	243,605	5.71%	13,920
91-180 days	131,391	30.29%	39,793
181 - 270 Days	90,756	41.94%	38,064
271 - 365 Days	31,586	76.20%	24,067
More than 1 year	124,298	83.42%	103,686
	2,121,007		331,489

Based on the application of the relevant ECL impairment model, if the average loss rate on trade receivables from private customers that are not due and those between 1 to 90 days was 1% higher or lower as of December 2025, the loss allowance on trade receivables would have been ₪ 72 million (2024: ₪ 8.6 million) and ₪ 3.2 million (2024: ₪ 2.2 million) higher or lower, respectively.

Capital management

The Group manages its capital to ensure it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from the previous year.

The capital structure of the Group consists of equity comprising share capital, other reserves, and retained earnings.

39. RELATED PARTY INFORMATION

Related parties comprise of the Parent Company, and entities which are controlled directly or indirectly or influenced by the Saudi Telecom Company ("STC"), and also directors or key management personnel. In the normal course of business, the Group has various transactions with its related parties.

The Group also transacts business with other related parties which include entities which are either controlled, jointly controlled or under significant influence of the Public Investment Fund, which is the parent company of STC, and the sovereign wealth fund of the Kingdom of Saudi Arabia. The Group has used the exemption in respect of related party disclosures for government-related entities in IAS 24 "Related Party Disclosures".

Transactions are entered into with the related parties on terms and conditions approved by either the Group's management or its Board of Directors.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

The Group's immediate and ultimate controlling party is Saudi Telecom Company ("STC"), a listed company incorporated in the Kingdom of Saudi Arabia.

During the year, the Group entered the following significant transactions with its Parent Company and its subsidiaries:

	2025	2024
Sales of goods and services (STC) (a)	6,673,007	6,852,533
Sales of goods and services (STC subsidiaries) (a)	423,579	445,161
Gain on sale of AVL service channel (Note 9)	-	68,300
Purchases (STC)	386,950	407,462
Purchases (STC subsidiaries)	50,841	87,003

(a) Sales of goods and services to Parent Company and its subsidiaries include an amount of 3.0 billion (2024: 3.0 billion) for which Parent Company is not the end customer.

Collectively, about 28% (2024: 23%) of the Group's total sales of goods and services during the year were made to government and government-related entities in the normal course of business.

The following balances were outstanding with related parties at the reporting date:

	Notes	2025	2024
STC:			
Trade receivable: gross	14	1,546,024	1,099,590
Contract assets		1,482,874	898,992
Other assets	15	3,020	2,962
Deferred revenue		(1,152,598)	(1,289,307)
Amounts due to	24	(160,890)	(236,079)
VAT receivable		3,287	17,908
Contract liabilities		(91,953)	(251,970)
Accrued expenses	24	(299,287)	(190,134)
STC Subsidiaries:			
Cash and cash equivalents		166,696	-
Trade receivable: gross	14	99,081	170,889
Contract assets		27,401	23,611
Deferred revenue		(87,473)	(108,214)
Amounts due to	24	(6,437)	(11,121)
Accrued expenses		(19,801)	(5,475)
Right of use assets		217,868	27,200
Lease liabilities		(263,167)	(27,387)
Investment in equity accounted investees:			
Amounts due to		(11,220)	(4,244)
Amounts due from		29,680	-

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

The receivable amounts outstanding are unsecured and will be settled in cash or adjusted with payable balance. No guarantees have been given or received.

Key Management Personnel Compensation

Key management personnel compensation includes executives; members of the Board of Directors and their compensation is comprised of the following:

	2025	2024
Key management personnel		
Employment benefits and remuneration	39,575	45,587
Share based payments	3,700	2,644
Board of Directors		
Remuneration of Board of Directors	3,828	3,963
	47,103	52,194

The following amounts were payable in relation to end of service indemnities and annual leave provision to the key management personnel:

	2025	2024
End of service indemnities and annual leave	22,508	22,228

40. SEGMENT INFORMATION

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 Operating segments. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker ("CODM") and used to allocate resources to the segments and to assess their performance. The Group has therefore identified segments based on entity as the management reports of each of these entity are reviewed by CODM periodically. The existence of separate management responsible for each of these segments has been considered as one of the factors in identifying these operating segments. The Group has not aggregated multiple operating segments into a single operating segment.

The Group, through its segments is engaged in Information Communication and Technology ("ICT") services and some other related services and products. The major products and services from which each segment derives revenue are as disclosed below;

- Solutions by STC: Core ICT Services, IT Managed and Operational Services and Digital Services.
- GIZA Group: Core ICT Services, IT Managed and Operational Services and Digital Services.
- Contact Center Company: IT Managed and Operational Services.

Majority of the Group's revenues, income and assets relate to its operations within the Kingdom. Outside of the Kingdom, the Group operates through its subsidiaries. Revenue is distributed to an operating segment based on the entity of the Group. Sales between segments are calculated at normal business transaction prices.

	2025	2024
Solutions by STC	8,789,269	8,737,415
Giza Group	2,638,873	1,832,115
Contact Center Company	2,756,887	2,185,184
Elimination	(1,454,840)	(690,817)
Total revenue	12,730,189	12,063,897
Total cost of revenue	(10,052,276)	(9,280,923)
Total operating expenses	(1,036,482)	(1,122,419)

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	2025	2024
Total non-operating income	3,330	(18,781)
Zakat and tax charge, net	(132,347)	(38,958)
Net profit for the year	1,512,414	1,602,816
Net profit for Equity holders of the Parent Company	1,502,536	1,596,633
Net profit for non-controlling interests	9,878	6,183
Total net profit	1,512,414	1,602,816

Following is the gross profit analysis on a segment basis for the year ended 31 December:

	2025	2024
Solutions by STC	2,141,722	2,241,071
Giza Group	348,166	337,859
Contact Center Company	245,229	243,041
Elimination	(57,204)	(38,997)
Total gross profit	2,677,913	2,782,974

Information about major customers

No other single customer (with the exception of the parent Company disclosed in Note 39) contributed 10% or more to the Group's revenues.

41. CAPITAL COMMITMENTS

The Group had no capital commitments at the reporting date.

42. CONTINGENT LIABILITIES

	2025	2024
Letters of guarantee and credit	1,155,648	1,014,114

The above letters of guarantee and credit were issued under borrowing facilities with a limit of ₪ 2,430 million (2024: 1,500 million).

43. COMPARATIVES

During the current period, the purchase price allocation of net assets resulting from Giza Arabia's acquisition of LABS was completed which resulted into reduction of provisional goodwill which was recorded on acquisition in 2024 and adjustments to comparative numbers in the statement of financial position as at 31 December 2024 as follows;

Statement of Financial Position as of 31 December 2024

	31 December 2024		31 December 2024
	As previously reported	Adjustment from finalized PPA (Note 1)	As currently reported
Intangible assets and goodwill	557,229	2,584	559,813
Trade payable, accruals and other liabilities	3,886,613	(884)	3,885,729
Non-controlling interest	22,034	3,468	25,502

As disclosed in note 1, the prior year amortisation of ₪ 1.1 million related to the amortisation of identified intangible assets has been recognised in the current year therefore no adjustments have been made in the prior year consolidated statement of profit or loss.

Arabian Internet and Communication Services Company (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements For the year ended 31 December 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

44. EVENTS AFTER THE REPORTING DATE

On 27 Sha'ban 1447H corresponding to 15 February 2026, the Board of Directors recommended in its meeting to distribute ordinary cash dividends of ₪ 8 per share, totaling to ₪ 953 million.

Subsequent to the year-end, the Group, in accordance with the nature of its business has renewed or entered into various contracts. Management does not expect these to have any material impact on the Group's consolidated results and financial position as of the reporting date.

45. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements for the year ended 31 December 2025 were approved on the Company's Board of Directors' meeting held on 27 Shaaban 1447H (corresponding to 15 February 2026).

