

Investor Relations Release

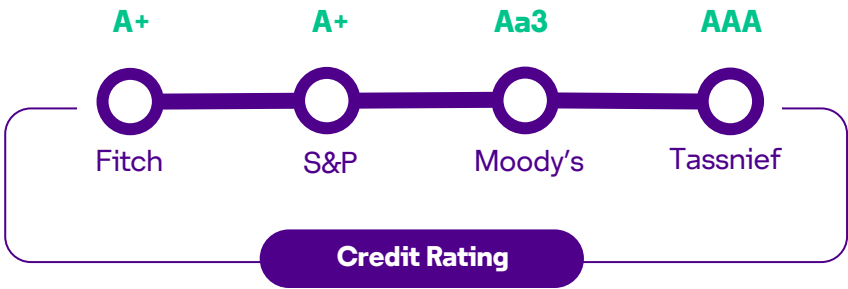
For the three months period ended on **31st of March 2025**

stc Group announced its interim consolidated financial results for the three months period ended on 31st March 2025.



Increase in net profit for the 3 months period, as compared to the same quarter last year.

| Financial Results Highlights | | | | (Millions of ﷲ) |
|---|---------|---------|---------|-----------------|
| | Q1 2025 | Q1 2024 | % | |
| Revenue | 19,210 | 18,908 | 1.60% | |
| Gross Profit | 9,098 | 8,664 | 5.01% | |
| EBITDA | 6,120 | 5,815 | 5.25% | |
| Net Profit ¹ (Attributable to Equity Holders) | 3,649 | 3,286 | 11.05% | |
| Free Cash Flow ² | 500 | (260) | 292.31% | |
| Total Shareholders Equity ³ | 91,069 | 80,440 | 13.21% | |



¹ Net profit includes one-off items (see the company's announcement on Tadawul for details).

² (Net cash from operating activities – Capex)

³ (Shareholder Equity After Deducting the Minority Equity)

Commenting on the financial results, Eng. Olayan Alwetaid, CEO of stc Group, highlighted that the Group, through its ambitious strategy and forward-looking vision, delivered an excellent performance during the first quarter of 2025, achieving a revenue growth of 1.60%, an increase in gross profit of 5.01%, and an impressive rise in net profit of 11.05% compared to the same quarter last year. The GCEO affirmed that the Group's achievements were the result of its unwavering commitment to innovation, operational efficiency, and sustainable growth, as well as its relentless pursuit of creating added value for shareholders, customers, and the digital economy as a whole.

The GCEO further added that, early in 2025, stc Group achieved several strategic milestones that further solidified its position in the telecommunications and information technology sector. Among these achievements was a new global milestone, as the Group successfully localized the software for eSIM technology in collaboration with Thales, making stc the first telecom operator in the world to obtain SAS-UP license certification from the GSMA. The GCEO emphasized that this accomplishment complements stc's ongoing efforts to support local content in the ICT sector through business localization and the transfer of manufacturing and technical expertise to the Kingdom.

In continuation of the Group's efforts to enhancing the digital communication infrastructure in the region, stc signed a strategic agreement with Ooredoo to establish an international ground fiber network corridor between Saudi Arabia and Oman. This strategic partnership aims to enhance the digital communication infrastructure in the region through the project, which starts with the Saudi-Oman corridor. The project will also create an integrated ground fiber network with two backup routes, connecting submarine cable landing stations on the Red Sea in Saudi Arabia to their counterparts on the Arabian Sea in Oman, passing through dedicated data centers in both countries. This agreement reaffirms the Group's commitment to delivering advanced communication solutions, enhancing intercontinental connectivity, and driving digital transformation to support the region's economic growth.

Moreover, stc Group strengthened its position in cloud computing and artificial intelligence by signing an agreement with Amazon Web Services (AWS). This partnership significantly boosts the Group's ability to deliver advanced technological solutions tailored to the diverse needs of various sectors, while reaffirming its commitment to driving the shift toward an integrated digital economy and leading the future of smart technology in the Kingdom and beyond. Furthermore, as part of its commitment to providing the highest quality of digital services, stc Group enhanced its telecommunications network in the Two Holy Mosques during the holy month of Ramadan, by strengthening its infrastructure to meet the growing demand for services during peak times. This upgrade resulted in a 120% increase in connection speed, enabling the Group to ensure an exceptional communication experience for visitors to the holy sites during the peak visitor periods.

Finally, stc Group will continue its pioneering journey, enabling digital transformation and driving national economic growth through strategic initiatives that empower various sectors, further strengthening its position locally and globally as a key partner in building a sustainable digital future that aligns with the Kingdom's aspirations and its vision towards a diversified economy based on innovation and technology.



Olayan Mohammed Alwetaid

stc Group CEO

Financial Performance Summary



Key financial data and indicators

1

Balance Sheet

(Millions of ﷲ)

| | Q1 2025 | Q1 2024 | % |
|--|---------|---------|----------|
| Cash & Equivalents ¹ | 28,397 | 26,766 | 6.09% |
| Working Capital ² | 29,508 | 28,391 | 3.93% |
| Total Assets | 162,611 | 159,870 | 1.71% |
| Total Liabilities | 68,610 | 77,107 | (11.02%) |
| Total Debt ³ | 15,130 | 22,021 | (31.29%) |
| Total Shareholders Equity (After Deducting the Minority Equity) | 91,069 | 80,440 | 13.21% |

2

Income Statement

(Millions of ﷲ)

| | Q1 2025 | Q1 2024 | % |
|--|---------|---------|--------|
| Revenue | 19,210 | 18,908 | 1.60% |
| Gross Profit | 9,098 | 8,664 | 5.01% |
| Operating Profit | 3,584 | 3,513 | 2.02% |
| EBITDA | 6,120 | 5,815 | 5.25% |
| Net Profit (Attributable to Equity Holders) | 3,649 | 3,286 | 11.05% |

3

Cash Flows Statement

(Millions of ﷲ)

| | Q1 2025 | Q1 2024 | % |
|------------------------------------|---------|---------|----------|
| Net Cash from Operating Activities | 2,160 | 1,418 | 52.33% |
| Net Cash from Investing Activities | 1,181 | 3,922 | (69.89%) |
| Net Cash from Financing Activities | (2,985) | (2,467) | (21.00%) |
| Free Cash Flow ⁴ | 500 | (260) | 292.31% |

1

(Cash and cash equivalents + Short term murabahas)

3

(Short-term borrowings + Long-term borrowings)

2

(Current Assets – Current Liabilities)

4

(Net cash from operating activities – Capex)

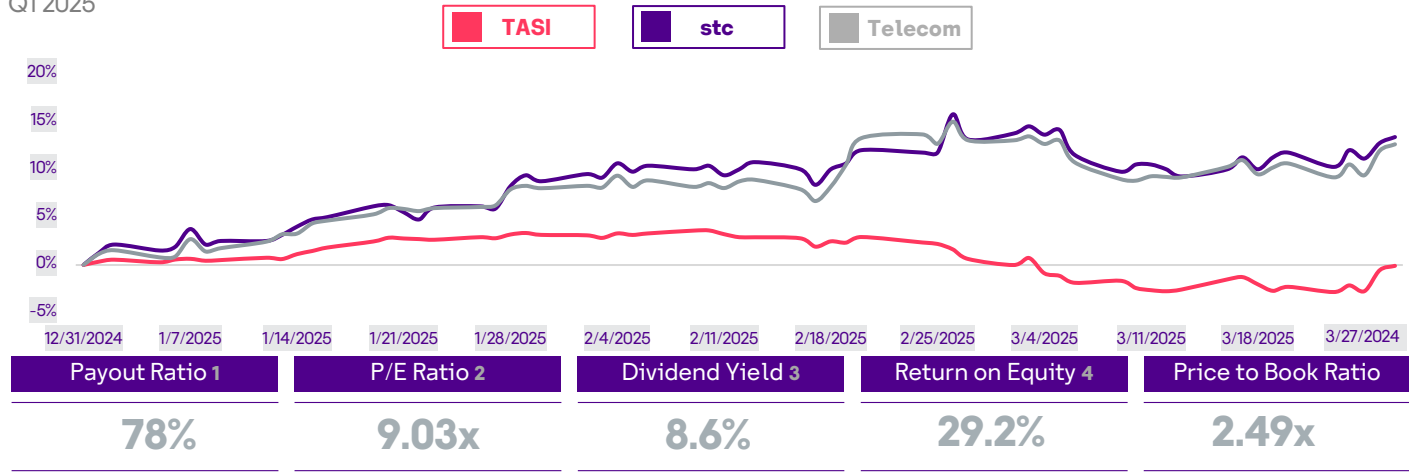
Analysts' Estimates

Q1 2025

| Average Analysts Estimates for Revenue (Mn ﷲ) | Actual (Mn ﷲ) | Change % | Average Analysts Estimates for Net Profit (Mn ﷲ) | Actual (Mn ﷲ) | Change % |
|---|---------------|----------|--|---------------|----------|
| 19,816 | 19,210 | (3.06%) | 3,496 | 3,649 | 4.38% |
| Number of Estimates for Revenue | 8 Analysts | | Number of Estimates for Net Profit | 13 Analysts | |

Stock Performance

Q1 2025



Financial Calendar

Q1 2025

| January | | | | | | | February | | | | | | | March | | | | | | |
|--|----|----|----|----|----|----|---|----|----|----|----|----|----|--|----|----|----|----|----|----|
| S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S |
| | | | 1 | 2 | 3 | 4 | | | | | | | 1 | | | | | | | 1 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 26 | 27 | 28 | 29 | 30 | 31 | | 23 | 24 | 25 | 26 | 27 | 28 | | 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 28 Jan stc announced the signing of a contract with a Government entity. | | | | | | | 6 Feb stc announced the latest development regarding its acquisition of 9.97% interest in Telefonica. | | | | | | | 2 Mar stc announced the FY 2024 Earnings conference call. | | | | | | |
| 29 Jan stc announced that STC Bank has received non-objection from the Saudi Central Bank to commence its operations. | | | | | | | 11 Feb stc announced the latest development regarding the agreements of selling a stake in TAWAL to PIF and to combine the businesses of TAWAL and Golden Lattice Investment Company (GLIC). | | | | | | | 24 Mar Q4-2024 Dividend Distribution (ﷲ 0.55 per share). | | | | | | |
| | | | | | | | 19 - 20 Feb Capital Markets Forum (CMF) – Saudi Tadawul Group. | | | | | | | | | | | | | |
| | | | | | | | 26 Feb stc announced its annual consolidated financial results for the year 2024, interim dividends for the 4th quarter of 2024 and the BoD's recommendation to distribute a special cash dividends for the year 2024. | | | | | | | | | | | | | |
| | | | | | | | 27 Feb stc Group's FY 2024 Earnings Call. | | | | | | | | | | | | | |

1-3 Includes special dividends of ﷲ 2

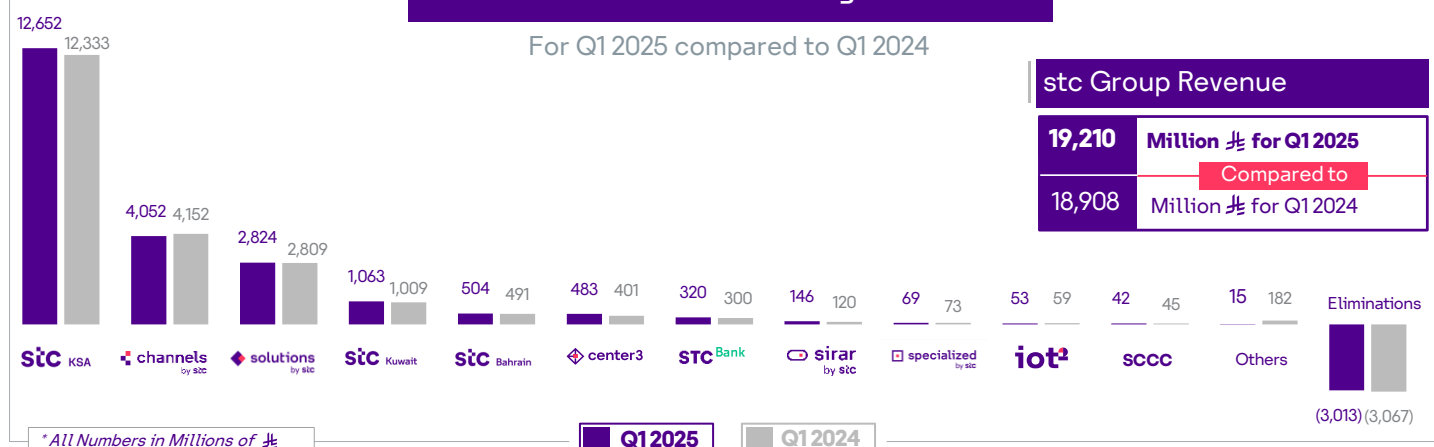
1-2-3-4 Numbers are calculated based on the last 12 months

4 Equity attributable to the equity holders of the Parent Company

Segment Information

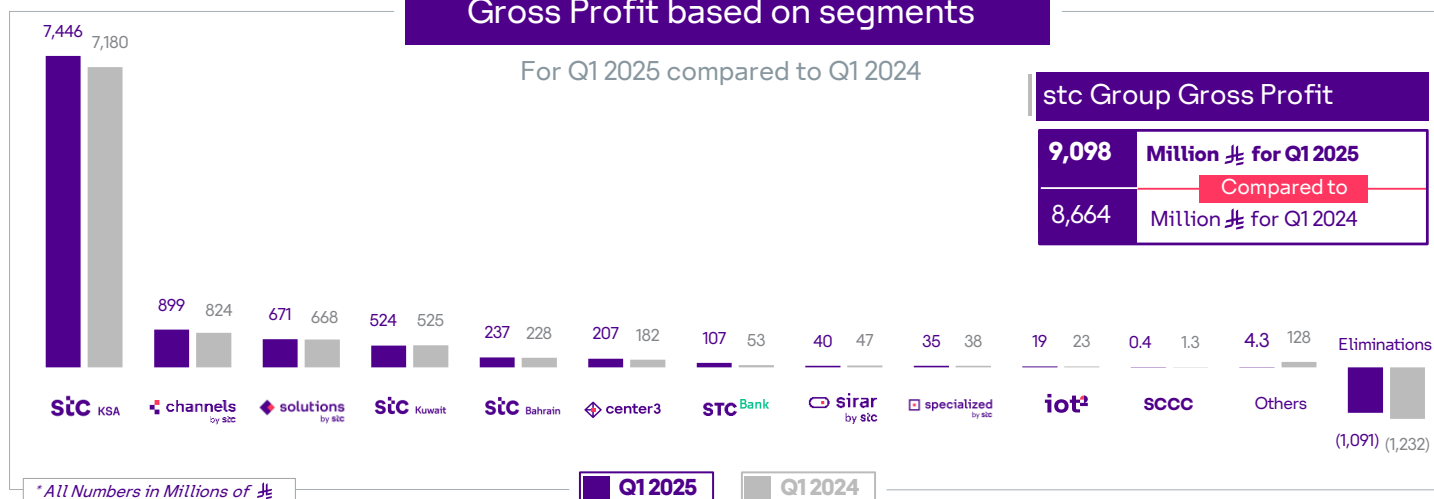
Revenue based on segments

For Q1 2025 compared to Q1 2024

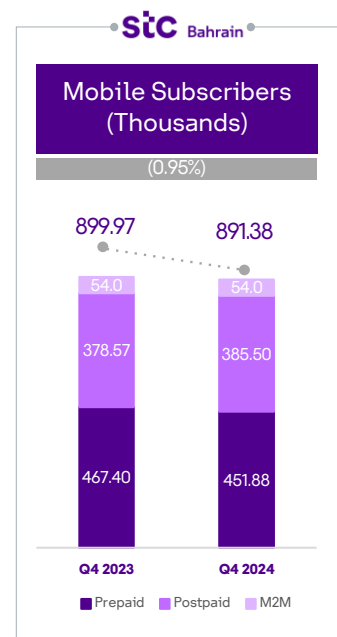
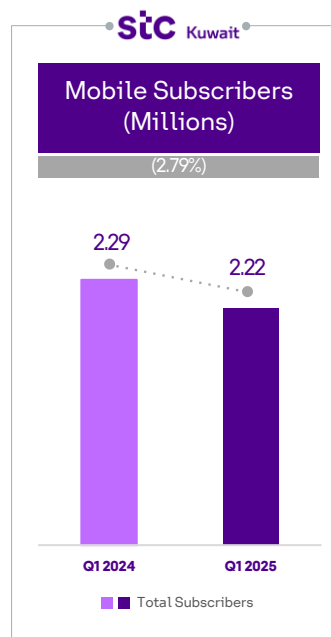
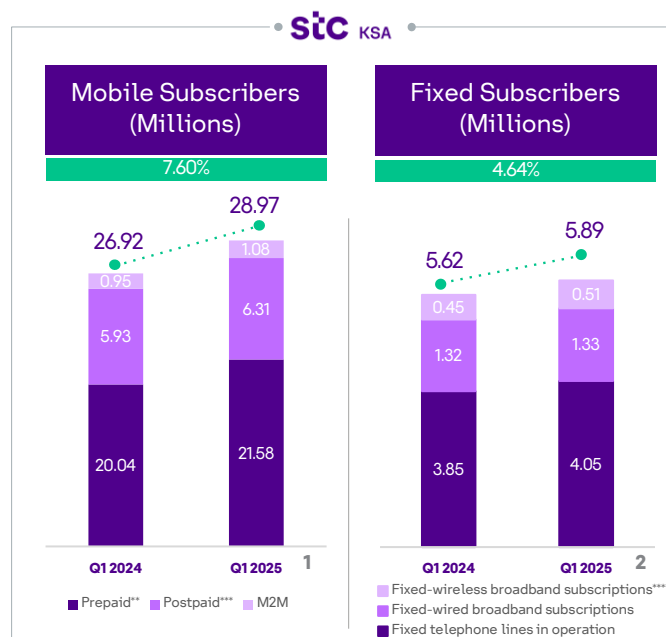


Gross Profit based on segments

For Q1 2025 compared to Q1 2024



Subscribers at a Glance*



* Percentage changes are calculated based on full figures.

** Prepaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.

*** Postpaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.

**** Fixed-wireless broadband subscribers includes 4G and 5G subscribers.

1-2 Figures are not audited.

Key Highlights

Key News



stc Group Signed a ﷲ 32.64 Bn Contract with a Government Entity

stc Group announced the signing of a contract with a Government entity on 27-1-2025 for the purpose of building, operating and providing telecommunications infrastructure services. The contract is valued at ﷲ 32.64 billion and its duration is for an 18 months period for preparation and execution, followed by 15 years of project operation period. The contract's financial impact will be positive, and the revenue will be recognized in stc's consolidated financial statements after the initial operation of the project, which is expected to be in the 4th quarter of 2026 until the end of the contract period.

STC Bank Officially Launched as a Digital Bank in Saudi Arabia

STC Bank announced that it has received a Non-Objection from the Saudi Central Bank SAMA following the successful completion of its pilot phase, allowing it to officially launch as a digital bank in Saudi Arabia. The launch of the Bank represents a significant milestone in the Kingdom's digital transformation journey and towards the adoption of digital banking services within the financial sector. The digital bank's launch, which serves both individuals and businesses, is a result of the success achieved by its predecessor, the digital wallet, stc pay.

stc Group achieved a new global milestone by localizing the software for eSIM

In a transformative leap for digital security, stc Group, has partnered with Thales, a global leader in cybersecurity and digital identity, in the presence of the Local Content and Government Procurement Authority, to secure the next generation of Internet of Things (IoT). This collaboration makes stc Group the first telecom operator worldwide to achieve GSMA Security Accreditation Scheme for UICC Production (SAS-UP) a global certification by the GSM Association ensuring the highest security standards in eSIM production. This groundbreaking achievement reinforces Saudi Arabia's position as a leader in technological advancement and digital transformation, aligning with the Kingdom's Vision 2030 objectives.

stc Group and Ooredoo Partner to Establish an International Ground Fiber Network Corridor Between Saudi Arabia and Oman

stc Group and Ooredoo Oman announced the signing of a Heads of Terms (HoT) agreement to establish an international ground fiber optic network corridor between the Kingdom of Saudi Arabia and the Sultanate of Oman. This strategic partnership aims to enhance the digital communication infrastructure in the region through the SONIC project, which starts with the Saudi-Oman corridor. The project will create an integrated ground fiber network with two backup routes, connecting submarine cable landing stations on the Red Sea in Saudi Arabia to their counterparts on the Arabian Sea in Oman, passing through dedicated data centers in both countries. By leveraging the strategic geographic locations of both Saudi Arabia and Oman, stc Group and Ooredoo aim to provide advanced communication solutions that enhance intercontinental connectivity through a reliable network characterized by high efficiency and low latency.

A Strategic Partnership between stc Group and AWS

stc Group and Amazon Web Services (AWS), the world's most comprehensive cloud provider, today announced a strategic collaboration to advance digital transformation in Saudi Arabia. As part of this partnership, stc Group has been recognized as a System Integrator Premier partner, the highest AWS Partner Tier. The groundbreaking initiative will combine AWS's cloud infrastructure and generative AI/ML services, such as Amazon Bedrock, with stc Group's capabilities. This will scale cloud-based workloads and AI-powered innovation in sectors such as healthcare, finance, sports, education, energy, industrial, logistics and government sectors across the Middle East. stc Group will leverage AWS's global expertise to deliver innovative solutions tailored to customers in Saudi Arabia and neighboring Gulf countries, including Bahrain and Kuwait.

stc Group and Cohere Partner to Advance Generative AI Innovation

stc Group has announced a strategic collaboration with Cohere, the global leader in secure enterprise AI, aimed at transforming the AI landscape in the Middle East and beyond. This collaboration is set to redefine stc's AI-driven operations, enhance customer engagement, and unlock new digital growth opportunities through state-of-the-art AI solutions. Under the collaboration, stc will leverage Cohere's cutting-edge AI capabilities to develop transformative products as part of its internal Gen AI initiative. The joint effort will focus on key AI-powered innovations, including stc's AI-powered language model and the Digital Co-Workers Foundry, which are designed to optimize business efficiency and deliver a superior digital experience for customers.

stc Group Boosted Connectivity Speed in the Two Holy Mosques by Over 120%

stc Group enabled world-class connectivity for millions of pilgrims and visitors during Ramadan. stc Group's network analytics indicated that data usage during Ramadan had already increased by 37%, while voice services increased by more than 18%. To ensure seamless, high-speed connectivity for all, stc Group expanded its 5G network by more than 30% to ensure strong and stable performance during peak times, allowing visitors to remain connected to their loved ones without interruption. Network speed analysis results from Ookla, a global provider of network data and analytics, indicated a significant improvement in stc Group's network performance across the grounds of the two Holy Mosques. The average download speed had increased by 107% inside the Grand Mosque and by 120% inside the Prophet's Mosque, offering pilgrims and visitors continuous world-class connectivity despite the high network traffic at the holy sites.

stc Group Showcased its Digital Solutions at LEAP 2025

stc Group participated in the 4th edition of the LEAP 2025 conference, held under the theme "Towards New Horizons". As a strategic partner of the LEAP conference for the 4th consecutive year, stc showcased its comprehensive portfolio of digital solutions and innovations across multiple sectors. These solutions aim to highlight the Group's pivotal role in addressing global challenges, such as promoting sustainability, achieving digital inclusion, and supporting economic resilience, thereby enabling sectors to adapt to rapid technological advancements. The innovations presented by stc, which are based on Internet of Things (IoT) technologies and 5G networks, reflect the Group's commitment to keeping pace with the changing demands worldwide, while highlighting its efforts to empower businesses and governments to explore new opportunities and achieve sustainable growth.

sirar by stc Obtained Tier 1 License for Managed Security Operations Center Services

The National Cybersecurity Authority has announced the licensing of sirar by stc as a Tier 1 provider of Managed Security Operations Center (MSOC) services in the kingdom, positioning sirar among the leading national companies in the field. This license reflects sirar's readiness and commitment to delivering advanced cybersecurity services that enhance national cybersecurity and protect both government and private sector entities from cyber threats. With this accreditation, sirar is authorized to offer its services to various organizations, including government entities and private sector companies that manage critical national infrastructure. This recognition aligns with national efforts to develop the cybersecurity sector in Saudi Arabia, encourage investment in the field, and improve the quality of services provided to national entities.

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IRU@stc.com.sa