



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
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REPORT ON AGREED-UPON PROCEDURES ON SOLVENCY REPORT (THE "SCHEDULE")

Eng. Olayan Bin Mohammed Al-Wetaid
Group Chief Executive Officer

Saudi Telecom Company
King Abdulaziz Communications Complex
Al Mursalat, Riyadh
Kingdom of Saudi Arabia

Scope and Purpose of the Agreed-Upon Procedures

We have performed the procedures agreed with you and set out below, in relation to the attached solvency report (the "Schedule") of Saudi Telecom Company (the "Company") and its subsidiaries (together referred to as the "Group") or (the "engaging party") related to the Group's compliance with the requirements of Paragraph 3 of Article twelve of the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Joint Stock Companies by the Board of the Capital Market Authority pursuant to Resolution No. (8 - 127 - 2016) dated 16/1/1438 (corresponding to 17/10/2016) based on the Companies' Law issued by Royal Decree No. M/3 dated 28/1/1437 (corresponding to 10/3/2015) as amended by the Authority's Council Decision No. (4 - 122 - 2020) dated 3/4/1442 (corresponding to 18/11/2020), prepared for a special purpose (for the purposes of Capital Market Authority) for the period ended 31 March 2022. (the "Subject Matter"). Accordingly, it may not be suitable for any other purpose.

Restricted Use

This agreed-upon procedures report is intended solely for the information and use of Engaging Party and Capital Market Authority and is not intended to be and should not be used by any other party.

Responsibilities of the Engaging Party

The Company is the engaging party and has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is the Responsible Party for the Subject Matter on which the agreed-upon procedures are performed. The sufficiency of these procedures is the responsibility of engaging party only. The agreed-upon procedures are not audit or review of the financial statements or part of it, which objective is expressing an opinion or an assurance conclusion for the financial statements or part of it.



**REPORT ON AGREED-UPON PROCEDURES ON SOLVENCY REPORT (THE "SCHEDULE")
- CONTINUED**

Responsibilities of the Practitioner

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements endorsed in Kingdom of Saudi Arabia. An agreed-upon procedures engagement involves performance of the procedures that have been agreed with the engaging party, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or the sufficiency of the agreed-upon procedures described below either for the purpose for which this agreed-upon procedures report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Our Independence and Quality Control

In performing the agreed-upon procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants endorsed in the Kingdom of Saudi Arabia including independence requirements endorsed in the Kingdom of Saudi Arabia.

We also apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* endorsed in the Kingdom of Saudi Arabia, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed and Findings

We have performed the procedures described below, which were agreed upon with the engaging party and the findings we noted are as follows:

	Procedures	Findings
1	Comparing the total assets, total liabilities and total contingent liabilities mentioned in the attached schedule as at 31 March 2022, with the total assets, total liabilities and total contingent liabilities disclosed in the Company's interim condensed consolidated financial statements as at 31 March 2022.	We noted that the total assets, total liabilities and total contingent liabilities mentioned in the attached schedule as at 31 March 2022, are matching the total assets, total liabilities and total contingent liabilities disclosed in the Company's interim condensed consolidated financial statements as at 31 March 2022.

**REPORT ON AGREED-UPON PROCEDURES ON SOLVENCY REPORT (THE "SCHEDULE")
- CONTINUED**

Procedures Performed and Findings - continued

2	Checking the arithmetical accuracy of the net assets mentioned in the attached schedule (which represent the balance after deducting total liabilities and total contingent liabilities from total assets) as at 31 March 2022.	We noted the arithmetical accuracy of the net assets mentioned in the attached schedule (which represent the balance after deducting total liabilities and total contingent liabilities from total assets) as at 31 March 2022.
3	Comparing the working capital for the two years ending 31 December 2023 and 31 December 2024, mentioned in the attached schedule with the working capital mentioned in the financial plan approved by the Management for the two years ending 31 December 2023 and 31 December 2024.	We noted that the working capital for the two years ending 31 December 2023 and 31 December 2024, mentioned in the attached schedule are matching the working capital mentioned in the financial plan approved by the Management for the two years ending 31 December 2023 and 31 December 2024.
4	Checking the arithmetical accuracy of the balance of retained earnings as at 31 March 2022, mentioned in the attached schedule after deducting the balance of the treasury shares held and expected to be purchased.	We noted the arithmetical accuracy of the balance of retained earnings as at 31 March 2022, mentioned in the attached schedule, after deducting the balance of treasury shares held and expected to be purchased.
5	Checking the arithmetical accuracy of the balance of retained earnings as at 31 March 2022, mentioned in the attached schedule after deducting treasury shares balance held and expected to be purchased, and the increase in the Company's share capital in case of approval by the extraordinary general assembly to increase the share capital through capitalization of SR 30,000 million from the retained earnings.	We noted the arithmetical accuracy of the balance of retained earnings as at 31 March 2022, mentioned in the attached schedule after deducting treasury shares balance held and expected to be purchased, and the increase in the Company's share capital in case of approval by the Extraordinary General Assembly to increase the Company's share capital through capitalization of SR 30,000 million from retained earnings.



**REPORT ON AGREED-UPON PROCEDURES ON SOLVENCY REPORT (THE "SCHEDULE")
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Explanatory paragraph

The Responsible Party is responsible for the sources of the documents mentioned in the agreed-upon procedures above, and the results obtained. We were not engaged to perform procedures, and we did not perform any procedures other than those listed above. We have not performed any procedures to test the accuracy and completeness of the information provided to us other than stated in the agreed-upon procedures. In addition, we have not performed any procedures in connection with the preparation or verification of any of the documents provided to us. It is not our responsibility to verify any of the source of the information relied upon in arriving at our results.

for Ernst & Young
Professional Services

Saad M. Al-Khathlan
Certified Public Accountant
License No. (509)

Riyadh: 27 Dhu Al-Hijjah 1443
(26 July 2022)



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Financial Solvency Requirements Report

(For the employee's shares program)

شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)

للمراجعين تخدمه فقط فقط FOR IDENTIFICATION PURPOSES ONLY

Ernst & Young Professional Services
EY (Professional LLC) R5

**Conditions of financial solvency requirements as mentioned in the third part of Article No. (12) of
Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint
Stock Companies by the Capital Market Authority**

Financial information related to the company's commitment to the solvency requirements

Expected date of completion of the shares purchase:

(29/08/2023) Corresponding to (13/02/1445)

A) The adequacy of working capital:

The amounts are in millions of Saudi Riyals

Working capital	31/12/2023	31/12/2024
	17,356	23,768

*The amount represents the working capital for 2023 and 2024 according to the plan approved by the company's management.

B) Summary of assets and liabilities, including contingent liabilities:

As of 31 March 2022, based on the interim condensed consolidated financial statements:

The amounts are in millions of Saudi Riyals

Assets (1)	129,632
Liabilities (2)	57,253
Contingent liabilities (3)	9,460
Net assets (4) = (1) - (2) - (3)	62,919
Estimated cost of buying shares for 2022 (5)	453
Surplus assets (6) = (4) - (5)	62,466

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C) Treasury shares

The amounts are in millions of Saudi Riyals

Retained earnings as of 31/03/2022	The value of the treasury shares held as of 31/03/2022	Estimated purchase cost of treasury shares	Surplus of retained earnings
1	2	3	4=1-(2+3)
39,023	287*	453	38,283

*The value of the shares held has been calculated with the average purchase price which is SR 100.58.

In the event of a vote of approval by the Extraordinary General Assembly on increasing the capital by capitalizing SAR 30,000 million from retained earnings:

The amounts are in millions of Saudi Riyals

Retained earnings as of 31/03/2022	Increasing the capital by capitalizing SAR 30,000 million from retained earnings	Retained earnings after increasing the capital	The value of the treasury shares held as of 31/03/2022	Estimated purchase cost of treasury shares	Surplus of retained earnings
1	2	3=(1)-(2)	4	5	6=3-(4+5)
39,023	30,000	9,023	287*	453	8,283

*The value of the shares held has been calculated with the average purchase price which is SR 100.58.



Ameen Fahad Alshiddi

Group Chief Financial Officer

