

LEADING DIGITAL TRANSFORMATION



Saudi Telecom Company (stc) was established in 1998 and is today considered a leading digital enabler to the private and public sector locally and regionally. Aside from operating the largest modern mobile network in the Middle East, its activities also have a major positive impact on the Saudi Arabian economy.

Saudi Telecom Company (stc)

www.stc.com.sa

Year company founded: 1998

Market capitalization: SAR 212 billion



Eng. Olayan Mohammed Alwetaid
CEO, STC Group

We will judge our success by our value creation, not only to shareholders but also to the community, strategic partners and the Kingdom's Vision 2030."

"Our vision has consistently been to enable the digital transformation in the MENA region by developing and providing innovative services and platforms to our customers," said Olayan Mohammed Alwetaid, stc Group CEO.

stc considers itself the backbone of the digital transformation program that is a significant part of Saudi's 2030 Vision. The company is ideally positioned to collaborate with the government to successfully deliver infrastructure, human capital, and sophisticated technology backed with its financial strength. Managing these interconnected partnerships between the public and private sectors is one of stc's strengths and will allow the company to establish long-lasting relationships with the local and international public.

stc hopes that the new brand identity it unveiled in 2019 will allow it to capitalize internationally on its success, Alwetaid reflected, "stc's new brand identity marks a new journey in digital services we are embarking on to enrich the lives of our customers and employees. The new brand is in line with the company's progress in the digital transformation of digital payments, media, and entertainment, in order to keep up with the digital revolution and rapid changes in the communication and information technology sector. Lastly, the new identity also enhances stc brand value as one of the most valuable brands in the Middle East in 2020 according to Brand Finance."

Vast fiber-optic network that spans over 229,000 kilometers, along with 4,000 5G deployed by end of 2020



1st

Digital operator to introduce FinTech initiatives in the region

Ownership Profile

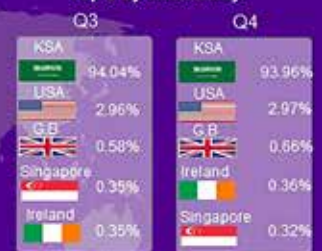
Investor's Ownership Profile by End of Q4 2020:



Shareholders Split by Nationality:



Top 5 by Nationality:



Changes in stc's Foreign Investors Ownership since the Beginning of 2019:



*25% of the fifth phase will be included in March, while the remaining 75% will be implemented in conjunction with the quarterly review in June.

Investing into non-core markets has brought success for stc, and the company was the first digital operator to introduce FinTech initiatives in the region, which led to the development of its own mobile wallet stc Pay. The company is maintaining its innovative edge with its current push to launch its 5G network across the region.

Furthermore, it continues to be at the forefront of the industry as it invests heavily in research and development (R&D), enabling it to quickly adopt new and innovative approaches, thereby allowing it

to enhance its products and services for customers. stc Solutions, a subsidiary of stc, serves as the ICT, R&D and innovation hub for the group. As part of its recent brand relaunch, all of stc business units have come together under one brand to establish simpler and stronger relationships with customers domestically and internationally.

As part of the company's contribution to the local communities and its support of young entrepreneurs, stc launched a variety of programs within its

sustainability plan, including InspireU, the Kingdom's first corporate incubator and accelerator for ICT and digital startups. stc contributed a total of almost SAR 4.06 billion to these programs and the development of InspireU, has helped support the development of startups that have helped create around 160,000 jobs and which have 16 million users.

Outlining stc aspiration, Alwetaid continued, "As one of the key digital players in the region, we aim to achieve sustainable growth through diversifying our sources of income to further maximize our shareholder's value, while at the same time enhancing the customer experience.

And finally, when asked how he will judge stc success, Alwetaid said, "We will judge our success by our value creation, not only to shareholders but also to the community, strategic partners and the Kingdom's Vision 2030."

About Saudi Telecom Co.

Saudi Telecom Co. (stc) operates the largest modern mobile network in the Middle East. It covers more than 99% of Saudi Arabia's populated areas and provides 4G mobile broadband to around 90% of the population. As the region's leading digital enabler, the company offers services to both enterprise and consumer customers through a fiber-optic network that spans 229,000 kilometers and is expanding.

The group was also among the first in the Middle East and North Africa region to launch 5G networks and is considered one of the fastest globally in deploying the technology – it deployed 4,000 5G towers by end of 2020.

A market leader in terms of both mobile and fixed subscribers, stc is also a strong regional player in the Internet of Things, managed services, systems integration, cloud computing, cyber security, big data analytics and artificial intelligence.

The Group's investments include 100 percent ownership in stc Bahrain, 51.8 percent stake in stc Kuwait and a 25 percent stake in Binariang GSM Holding in Malaysia, which owns 62 percent of Maxis in Malaysia. The company has twice won the Excellence Award in Corporate Governance, awarded by King Faisal University.

One of the largest companies in the Middle East by market capitalization and with customers around the world, stc has been ranked among the world's top 50 digital companies by Forbes. It also has strong credit ratings from both S&P (A-) and Moody's (A1). Its underlying financial strength – revenue was SAR 58.95 million in 2020 – means the company is well positioned to act as Saudi Arabia's digital enabler as the Kingdom works toward the goals of its Vision 2030 strategy.

Key facts

stc is the leading telecommunication services provider in the country, with strong regional presence which enabling stc to deliver a variety of distinguished services to all customers while delivering growth to shareholders.

- Consistent history of success and delivering growth in key metrics
- Strong market position in KSA and an expanding presence in key regional growth markets in which stc can leverage its expertise in the sector
- Operating in growth markets – domestic and regional trends driving adoption of mobile, broadband services and cloud computing
- Innovative solution delivery for customers across fixed mobile data products and business sector services
- Strategic approach to costs stc is leveraging its investment in NGN networks and international markets to create synergies that will reduce future OPEX
- Strong balance sheet and healthy cash flow - well placed to gain access to substantial levels of debt to fund future investments if needed

Our vision:

stc is a world-class digital leader providing innovative services and platforms to its customers and enabling the digital transformation of the MENA region.

We DARE to reach

The company's DARE Strategy is to strengthen its position as a leading telecom and ICT company. The below outlines the key focus areas and strategic ambitions that guides stc in pursuing its purpose:

Digitize stc

Digitally transform stc operational capabilities

- Transform stc into a data driven organization
- Become an agile technology delivery company
- Digitize stc internal journeys to improve experience, enhance performance, and drive efficiencies

Accelerate core asset performance

Extract more value from its core assets and traditional segments

- Instill culture change
- Lead market in digital services
- Drive fixed consumer take-up
- Improve data economics
- Grow B2G and B2B SME segments
- Drive further efficiencies



الاتصالات السعودية
SAUDI TELECOM



stc

Our journey

1998	2005	2007	2009	2011	2013	2015	2017	2019
<ul style="list-style-type: none"> Company incorporation, sitc IPO (December, 2002). 	<ul style="list-style-type: none"> 10 million mobile subscriber mark; Launch of 3G and 3.5G mobile technology. 	<ul style="list-style-type: none"> Stack acquisition in MAXIS Communications and its operations in Indonesia & India. Won third mobile license in Viva Kuwait. 	<ul style="list-style-type: none"> 3rd mobile license in Viva Bahrain. 	<ul style="list-style-type: none"> Acquired 60% stake in Sale Communication; Share increase in AXIS Indonesia and Integral services in Saudi Arabia. 	<ul style="list-style-type: none"> Acquisition of push-to-talk (PTT) mobile operator Public Telecom Company (Bravo); Establishment of Aqalat Company. 	<ul style="list-style-type: none"> sitc became an ICT integrated player in the region. 	<ul style="list-style-type: none"> sitc ranked as most valuable brand in Saudi Arabia; Establishment of STV with \$500 million capital. 	<ul style="list-style-type: none"> \$5 billion International Sukuk program offering; Establishment of Tawal Company; Launching 5G services; Launched the new branding of sitc; Uber acquisition of Careem (in which sitc owns a direct stake of 8.8% and an indirect stake of 9.3%)
1998 -2003	2005-2006	2007-2008	2009-2010	2011-2012	2013-2014	2015-2016	2017-2018	2019-2020
2003	2006	2008	2010	2012	2014	2016	2018	2020
<ul style="list-style-type: none"> Introduction of DSL services. 	<ul style="list-style-type: none"> Increased capital from SAR 15 billion to SAR 20 billion. 	<ul style="list-style-type: none"> Stake acquisition in Oger; Launched Indonesian operation under the name AXIS. 	<ul style="list-style-type: none"> Launched Bundled services. 	<ul style="list-style-type: none"> Fiber Optic in Saudi; Reached more than 500 residents. 	<ul style="list-style-type: none"> SAR 5 billion Sukuk program offering (1st series was SAR 2 billion).. 	<ul style="list-style-type: none"> Share increase in VIVA Kuwait up to 51.8% and Sale Co. to 100%. 	<ul style="list-style-type: none"> Comprehensive settlement agreement with the Government; Announcement of new Dividend policy; Launch of sitc PAY. 	<ul style="list-style-type: none"> Received highest credit rating by S&P; Rating Agency "Tasneef"; Sale equity stake of 15% in sitcPAY to Western Union with a value of SAR 750 million (USD 200 million).

Reinvent customer experience at world class standards

Redefine customer experience through personalization of every interaction

- Lead in network QoE
- Simplify customer interactions
- Personalize the customer relationship
- Reinvent the sales channels

Expand aggressively scale and scope

Pursue concrete opportunities for growth

- Adjacent Services and applications
- Platforms
- Connectivity & infrastructure

Our strategy:

Digitalize-Accelerate-Reinvent-Expand

Digitize stc

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

Accelerate Performance

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

Reinvent Experience

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

Expand Scale and Scope

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

Sustainability framework

stc has always been a forward-thinking and purpose-driven company. However, the story of the company's sustainability journey began with the realization that unprecedented sustainability issues are increasingly impacting businesses around the world. As such, stc began developing its Sustainability Framework to ensure all aspects of its business are prepared for these emerging risks and opportunities. As such, the



company developed its Sustainability Framework that outlines seven focus areas that are most crucial for the success of its business and the greater good of its key stakeholders. By excelling in these areas, stc will be a key participant toward a sustainable future.

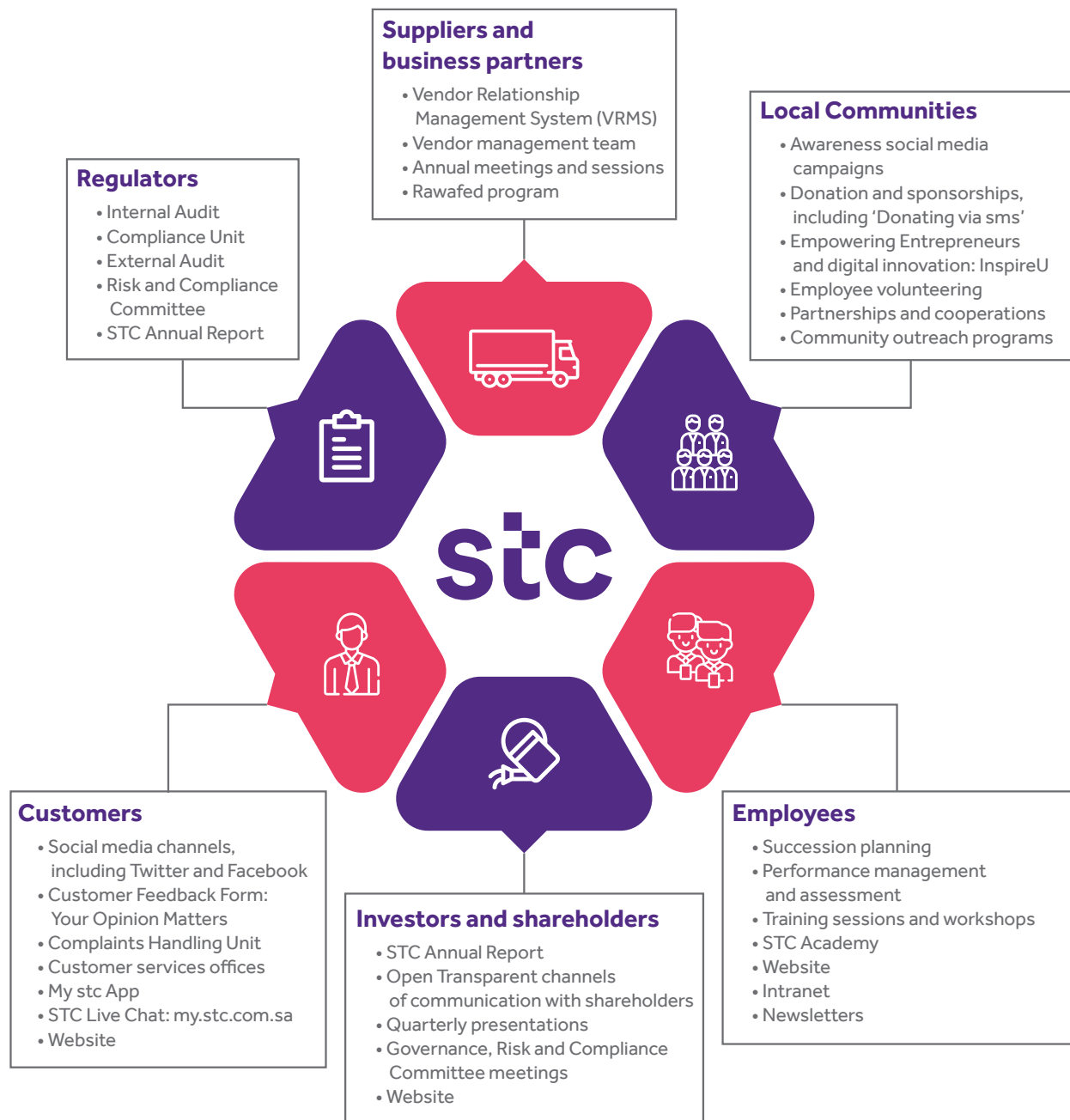
The Framework was developed through the combined

continue on previous line of the best interests of stc's key stakeholders, national and regional strategic visions and the United Nations Sustainable Development Goals (UN SDGs).

Each day, the company uses this framework to guide its decision making and improve its operations and performance. This will drive stc and its stakeholders toward a collective sustainable future where environmental, social and economic resources are managed efficiently and responsibly in a manner that creates positive value and impacts for everyone involved.

Listening to our stakeholders

stc is committed to understanding and addressing the needs of its key stakeholders through various platforms of engagement. The company values its stakeholders' perspectives and insights as it helps drive continual improvement. As a result, stc firmly believes its stakeholder engagement efforts allows it to collaboratively improve its business and develop strategies that serve a greater purpose. Further, the results of ongoing dialogues help stc identify the critical issues that matter the most to its business and key stakeholder groups. The figure below illustrates the diversity of the company's key stakeholder groups and the range of communication channels used to engage with internal and external stakeholders.



Awards and recognition

- Wins the best application of Customer Experience Management program Award 2020.
- Ranked among the world's top 50 digital companies and the first in the MENA in 2019 according to Forbes magazine
- First company headquartered in Saudi to be accredited by CREST for penetration testing services.
- Won the best mobile coverage award by Speedtest.
- Won the fastest 5G and mobile network award by Speedtest.
- Mystc app received the 'App of the Year' Golden Award at the Network PG's 2019 IT World Awards Analytics, and Data Discovery categories
- King Abdulaziz Quality Award (Golden Level) in 2019
- Won the Business Supporter award at the Social Media Summit
- EIPM, Inspiring Practice of Digitization and Big Data
- Procurement Leaders, Innovation Award
- Procurement Leaders, External Collaboration Award