

**stc's Net Profit for Q3 and 9 months period of 2020 compared to the comparable quarter and same period of last year increased by 0.73% & 0.70% (respectively), and it distributes SR 1 per share dividends for the 3<sup>rd</sup> quarter.**

**Riyadh, Kingdom of Saudi Arabia, 21 October 2020 - stc today announced the company's preliminary financial results for the period ending at 30 September 2020:**

- Revenues for the 3<sup>rd</sup> quarter reached SR 14,881m with an increase of 5.43% compared to the corresponding quarter last year. For the 9 months period of 2020, the revenues reached SR 43,737m an increase of 6.41%.
- Gross Profit for the 3<sup>rd</sup> quarter reached to SR 8,971m with an increase of 13.26% compared to the corresponding quarter last year. For the 9 months period of 2020, the Gross Profit reached SR 25,508m with an increase of 6.14%.
- Operating Profit for the 3<sup>rd</sup> quarter reached to SR 3,460m with an increase of 3.97% compared to the corresponding quarter last year. For the 9 months period of 2020, the Operating Profit reached SR 9,526m with a decrease of (5.51%).
- Earnings before Interest, Taxes, Zakat, Depreciation and Amortization (EBITDA) for the 3<sup>rd</sup> quarter reached to SR 5,788m with an increase of 10.50% compared to the corresponding quarter last year. For the 9 months period of 2020, the Earnings before Interest, Taxes, Zakat, Depreciation and Amortization (EBITDA) reached SR 16,460m with an increase of 1.12%.
- Net Profit for the 3<sup>rd</sup> quarter reached to SR 2,766m with an increase of 0.73% compared to the corresponding quarter last year. For the 9 months period of 2020, the Net Profit reached SR 8,402m with an increase of 0.70%.

In accordance with the approved dividend policy for three years starting from the 4th quarter 2018, which was announced on 16 December 2018, and has been ratified during the Extra Ordinary General Assembly Meeting on April 24th 2019, stc will distribute a total of SR 2,000 million in cash dividend for Q3 2020, representing SR 1 per share. The eligibility of dividends shall be for the shareholders at the close of trading on Wednesday 28/10/2020 corresponding to 11/03/1442H and as per the registered shareholders in the register of The Securities Depository Center Company at the end of the 2nd trading day following the eligibility date. Dividend distribution date will be on 18/11/2020 corresponding to 03/04/1442H.

Commenting on these results, Eng. Nasser bin Sulaiman Al-Nasser, stc Group CEO, indicated that the company's results for Q3 and the 9 month period came in line with our expectations, where the company was able to grow its top line by 5.43% and 6.41%

(respectively). As far as KSA operation is concerned, Consumer Business Unit revenue has grown as a result of 25.2% increase in FTTH and 8.5% increase in broadband subscribers, in addition to a 10.1% increase in data revenue for the current period compared to the previous period (9M). Further, Enterprise Business Unit revenue witnessed a growth due to the increased demand on the company's products and our ability to rapidly meet clients' need. Moreover, the Wholesale Business Unit was also able to achieve a growth in its top line mainly due to an increase in international revenue.

Mr. Al-Nasser also emphasized that Saudi Arabia's digital infrastructure allowed business to continue with great success across vital sectors in 2020, reflecting a significant leap in the ICT sector. According to a report published by the International Telecommunication Union (ITU), the Kingdom has been considered to be among the best countries around the world to successfully leverage technology in dealing with the consequences of the Coronavirus pandemic. The Kingdom was also able to cope with the effects of the pandemic, from increased data consumption to a higher demand on digital services. Furthermore, Saudi Arabia moved up 40 places in the UN E-Government Survey's ICT digital infrastructure index, ranking 8th among G20 nations and 27th globally.

On a different note and for the fourth consecutive year, stc won the award for the fastest mobile network speed, and the award for the best mobile coverage provided by a telecommunication company in the Kingdom. As well as, winning the award for the fastest 5G network, granted by Ookla, owner of the Speedtest platform. Winning these awards is a testament of stc's commitment to offer the best services to its customers in the Kingdom, elevate community services, and offer the highest level of customer experience, as the company has doubled the capacity of its network, and also doubled the delivery operations for services and products through mystc platform.

Mr. Al-Nasser also pointed out that, the opportunity has become available to benefit more from 5G technologies due to its linkage with artificial intelligence, big data analytics, cloud computing and the Internet of things. The pandemic proved that the communications and information technology sector is the main enabler of various industries and sectors.

stc affirms its commitment to be a key enabler of digital transformation in accordance with the Kingdom's ambitious vision 2030, and the National Transformation Plan 2020, where we look forward to a bright future for the ICT sector to prompt the prosperity and development of our precious homeland and the future of its generations.