

GCEO's Message

Esteemed shareholders,

Reflecting on another year of tremendous progress, we take great pride in stc Group's journey toward becoming a global digital powerhouse. In 2024, we not only delivered record-breaking financial performance, but also advanced our strategic programs, set clear priorities for the future, and pushed the boundaries of innovation, service excellence, and operational performance.

We also praise the Group's distinguished performance and financial results during the year 2024, which was a reflection of the performance of the Group's subsidiaries, which achieved a 16% growth in their business, and the implementation of the spending efficiency program, which had a pivotal role in enhancing financial performance. The Group will continue to adopt it as part of its culture, stressing that these results reflect the success of the stc Group in implementing its strategy and achieving its financial and operational goals and plans.

stc's focus on fostering innovation and improving customer experience also played a fundamental role in promoting sustainable growth, which contributed to the outstanding performance during 2024. The Group achieved a growth in revenues of 5.7%, operating profit of 9.6%, and net profit growth of 85.7%, noting that if non-recurring items were excluded, the Group would have achieved a 13% growth in net profit.

In light of the distinguished financial results achieved by the Group, stc's Board of Directors recommended distributing additional cash dividends for the fiscal year 2024 in the amount of ﷲ 2 per share, equivalent to ﷲ 10 billion, in addition to the distributions approved in the Company's policy that was activated from the fourth quarter of 2024, so that the total cash dividends for the year 2024 will be ﷲ 3.75 per share. This policy reflects the Group's constant endeavor to maximize and enhance investor returns.

Strengthening Our Core and Expanding Digital Infrastructure

Our core telecommunications business remains the foundation of our success. This year, we reinforced market leadership, achieving strong growth across key segments, particularly in the consumer and wholesale markets. At the same time, we made major strides in digital infrastructure expansion, accelerating fiber deployment, 5G coverage, and data center capacity – critical to realizing our vision of a fully digital world.

We are also integrating cutting-edge technologies into our networks. Our AI-driven network automation during Hajj demonstrated our ability to manage large-scale events with precision, ensuring seamless connectivity for millions of pilgrims. Additionally, AI-powered optimization reduced

energy consumption by 13% across our 4G and 5G networks, saving 36 million kWh – a testament to our commitment to sustainability and operational efficiency.

stc embodied its strategic focus on innovation in digital infrastructure by launching a project to build a digital infrastructure for a national center that is advanced and secure, with the highest levels of protection, valued at ﷲ 32.64 billion.

This is the largest contract of its kind. Additionally, we signed strategic partnerships, including an agreement with Diriyah Company to design, build, and operate the infrastructure for the second phase of its project, and a partnership with New Square Development Company to support the implementation of telecommunications and IT projects. These partnerships affirm stc's commitment to digital transformation in major projects in the Kingdom and its role in this field.

Beyond Connectivity: Expanding Our Digital Services

Beyond our core business, we continued expanding into high-growth digital markets, offering next-generation services that go beyond traditional telecommunications. We scaled existing ventures, captured greater market share, and introduced increasingly sophisticated offerings. Additionally, we accelerated the development of new digital concepts that will shape our future portfolio.

The stc digital bank was also launched after obtaining approval from the Saudi Central Bank, marking a significant step in providing innovative financial solutions that support individuals and businesses, enhancing the digitization of the financial sector.

Our commitment was exemplified through our partnership with Cisco as a sponsor of the Esports World Cup in Riyadh. Through stc tv, we live-streamed the tournament to an audience of over 500 million viewers worldwide, showcasing our technological leadership and embedding stc's capabilities into the fabric of digital evolution.

Driving Growth Through Strategic Investments

Our inorganic growth strategy has been pivotal in expanding our global scale and capabilities. We secured approval from the Spanish Council of Ministers to increase our voting

Our brand recognition ranked 9th in the global telecom market and 136th in Global 500 by Brand Finance. With a 16% increase in brand value to ﷲ 60.4 billion, stc remains the largest telecom brand in the Middle East.



rights in Telefónica to 997%, enabling us to nominate a Board representative. We also finalized the sale of 51% of TAWAL to PIF, establishing the largest tower company in the region. Additionally, through center3, we completed the landmark acquisition of CMC Networks, unlocking new market segments and further strengthening our international footprint.

Beyond acquisitions, we remain committed to fostering innovation and entrepreneurship. tali ventures, our ﷲ +1 billion innovation fund, continues to drive strategic investments in high-growth digital opportunities. A key highlight of the year was acquiring a 12.5% stake in NorthLadder, a leading device trade-in platform, reinforcing our vision of a robust digital ecosystem.

As the region's leading digital enabler, stc Group's inspireU accelerator continues to support the next generation of digital pioneers. In 2024, 44 local and international startups graduated from inspireU, bringing the total to over 110 digital startups across diverse industries. With investments exceeding ﷲ 1 billion and a combined market value of over ﷲ 12 billion, inspireU plays a pivotal role in shaping the future of AI, cybersecurity, fintech, logistics, and more.

Locally, we are strengthening Saudi Arabia's position as a digital innovation hub through colab, our corporate venture-building arm, which was designed to address white spaces in local and regional markets. colab is creating new ventures in emerging domains such as the metaverse and smart cities. By driving homegrown innovation, colab aims to position Saudi Arabia at the forefront of the global digital economy.

Building a Future-Oriented and Sustainable Organization

stc remains committed to building an agile, efficient, and future-proof organization. Through prudent operations and expanded shared services, we achieved record cost efficiencies while continuing to invest in talent development – maintaining a ~90% Saudization rate and delivering +270,000 hours of employee training.

Our sustainability efforts also gained global recognition, with an MSCI ESG rating upgrade from BB to BBB for the second consecutive year – a reflection of our ongoing commitment to environmental responsibility and corporate governance.

Internationally, our brand recognition has reached new heights. Ranked 9th in the global telecom market and 136th in the Global 500 by Brand Finance, stc now stands as the largest telecom brand in the Middle East with its brand value increasing by 16% to reach ﷲ 60.4 billion. As the first Middle Eastern consumer brand to break into the top 150 globally, this milestone underscores our growing influence on the world stage.

stc has also achieved significant growth in local content contribution, reaching 44.32% in 2024 with total spending exceeding ﷲ 16 billion. This achievement reflects stc's commitment to contributing to the development of the local telecommunications and information technology sector and creating sustainable economic growth.

Looking Ahead: A Future of Unparalleled Growth

As we look toward 2025, we are filled with immense pride in our achievements and optimism for the opportunities ahead. Our strategic focus remains clear:

- Reinforce market leadership by maintaining strong market share and delivering superior customer experiences
- Capture infrastructure opportunities by expanding and monetizing our digital assets
- Strengthen our digital and ICT portfolio by growing existing ventures and exploring new market opportunities

With the unwavering support of our Board, shareholders, investors, and colleagues, we are ready to seize new opportunities and continue shaping the digital future.

A Message of Gratitude

As we close 2024, I extend my deepest gratitude to our Board, shareholders, and investors for their trust and commitment. I also express my profound appreciation for our nation's leadership, whose vision empowers us to redefine what is possible.

Together, we are not just driving progress – we are shaping the future of the global digital economy.

Please accept my utmost greetings and appreciation,

Olayan M. Alwetaid
CEO of stc Group