

stc's Net income for Q1 of 2020 compared to the corresponding quarter last year increased by 5.93%, and it distributes SR 1 per share dividends for the 1st quarter.

Riyadh, Kingdom of Saudi Arabia, 21 April 2020 - stc today announced the company's preliminary financial results for the period ending at 31 March 2020:

- Revenues for the 1st quarter reached SR 13,935m with an increase of 4.10% compared to the corresponding quarter last year.
- Gross Profit for the for the 1st quarter reached to SR 8,196m with an increase of 3.71% compared to the corresponding quarter last year.
- Operating Profit for the 1st quarter reached to SR 3,004m with a decrease of (8.27%) compared to the corresponding quarter last year.
- Earnings before Interest, Taxes, Zakat, Depreciation and Amortization (EBITDA) for the 1st quarter reached to SR 5,330m with a decrease of (1.04%) compared to the corresponding quarter last year.
- Net Income for the 1st quarter reached to SR 2,913m with an increase of 5.93% compared to the corresponding quarter last year.

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 Q1 2020, representing SR 1 per share. The eligibility of dividends shall be for the shareholders at the close of trading on Tuesday 28/04/2020 corresponding to 05/09/1441 H 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 19/05/2020 corresponding to 26/09/1441H.

Commenting on these results, Eng. Nasser bin Sulaiman Al-Nasser, GCEO of Saudi Telecom Company (stc), indicated that the company, despite the emerging epidemic conditions of the Corona Virus (COVID-19), was able to grow its top line by 4.1%. As a result, stc's business units achieved distinct growth in revenue during the current quarter compared to the same quarter of the previous year. Where the increase of Enterprise Business Unit revenues were supported by innovative products in the field of Internet of Things, cloud computing and Cyber security in addition to other telecom products and services. Further, the Wholesale Business Unit revenue also increased supported by the growth witnessed in Hubbing services. As for Consumer Business unit,

revenue has increased with the support of an increase in fiber optic subscribers by 23% and data revenue by 15.5%.

As a testimony of KSA global leading position in communications infrastructure in general, and in digital communications in particular, KSA was successfully ranked number 10 globally (coming from number 105) in the internet speed in 3 years only. On top of that, stc's internet speed has increased 7 times over the past 3 years. stc winning two Speedtest Awards for the fastest mobile network, and best mobile coverage in the kingdom in 2019, shows the company's commitment to provide the best services to its customers. In addition, stc won the Customer Experience Management Award for 2020 after competing with the largest global telecom operators.

Part of our journey for digital transformation and enriching customer's experience, paper contracts had been dispensed and 7 million contracts on annual basis were digitized which in return will contribute to save around 200,000 hours of customers waiting time annually. In addition, stc is expanding in the telecom towers infrastructure by building new towers in the Kingdom while at the same time keeping-up with the technological progress such as 5G and the requirements of improving the network and increasing its speed. Also, the Saudi digital payments company (stcPay) obtained the official license from the Saudi Arabia Agency (SAMA), as an electronic digital wallet in the field of financial technology (fintech), to be the first financial technological company licensed in the kingdom. stcPay is considered the largest financial digital wallet in the Middle East and North African region with 2 million customers.

Lastly, what we are living nowadays under the unfortunate conditions to combat the COVID-19 virus, motivates us to continue our daily work proactively by taking the necessary actions and decisions to provide all our capabilities to actively handle the situation and reaffirm stc's position as a national operator and the first enabler for digital transformation. As a result, stc has increased the network's capacity to its maximum levels by distributing traffic in accordance with the increasing demand. It has also enhanced the telecom services and their capacity, and provided urgent services to several entities to enable digital transformation for all sectors. On another side, stc provided 40,000 free internet SIM cards as part of its "Attaa Digital" initiative to support those who cannot access the Internet and educational platforms as well as enabling a free access to some educational and health platforms. Furthermore, recently stc has announced that it will bear the cost of the temporary service suspension fees for SMEs who wish to temporarily suspend their services as part of the company's efforts to mitigate the financial impacts that may affect this vital sector. In addition, stc extended the payment grace period for customers and likewise doubled the data capacity without any additional charges for its existing and new customers to support the educational process and enable employees of government and private sectors to fulfil their work duties in light of the precautionary measures taken by the Kingdom of Saudi Arabia. Part

of its social responsibility, stc sent more than 2 billion awareness COVID-19 messages in 10 different languages. Currently, we are conducting a comprehensive study on the potential effects on the company's business in the event that the Corona pandemic continues, based on the measures and decisions taken to combat it. Any expected impact after conducting the study will be announced through the official channels in due course.