

**STC's Net Income for Q3 and 9 months period of 2019 compared to the comparable quarter and same period of last year increased by 3.90% & 8.73% (respectively), and it distributes SR 1 per share dividends for the 3<sup>rd</sup> quarter.**

**Riyadh, Kingdom of Saudi Arabia, 22 October 2019** - Saudi Telecom Company (STC) today announced the company's preliminary financial results for the period ending at 30 September 2019:

- **Revenue from Services for the 3<sup>rd</sup> quarter reached SR 14,114m with an increase of 5.96% compared to the corresponding quarter last year. For the 9 months period of 2019, the company revenue from services reached SR 41,103m an increase of 6.08%.**
- **Gross Profit for the for the 3<sup>rd</sup> quarter reached to SR 7,921m with an increase of 0.89% compared to the corresponding quarter last year. For the 9 months period of 2019, the Gross Profit reached SR 24,032m an increase of 9.47%.**
- **Operating Profit for the 3<sup>rd</sup> quarter reached to SR 3,328m with an increase of 2.84% compared to the corresponding quarter last year. For the 9 months period of 2019, the Operating Profit reached SR 10,081m an increase of 14.96%.**
- **Earnings before Interest, Taxes, Zakat, Depreciation and Amortization (EBITDA) for the 3<sup>rd</sup> quarter reached to SR 5,237m with an increase of 2.13% compared to the corresponding quarter last year. For the 9 months period of 2019, the Earnings before Interest, Taxes, Zakat, Depreciation and Amortization (EBITDA) reached SR 16,279m an increase of 12.68%.**
- **Net Income for the 3<sup>rd</sup> quarter reached to SR 2,746m with an increase of 3.90% compared to the corresponding quarter last year. For the 9 months period of 2019, the Net Income reached SR 8,344m an increase of 8.73%.**

In accordance with the approved dividend policy for three years starting from the 4th quarter 2018, which was announced on 16 December 2018, and 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 2019, representing SR 1 per share. The eligibility of dividends shall be for the shareholders at the close of trading on Tuesday 29/10/2019 corresponding to 01/03/1441 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 19/11/2019 corresponding to 22/03/1441 H.

Commenting on the results, Eng. Nasser bin Sulaiman Al Nasser, STC group CEO, stated: the increase in net profit for the 9 months period of this year compared to the corresponding period last year by 8.73%, and the increase in net profits for the third quarter compared to the same quarter the last year by 3.90%, indicates the company's constant strong performance supported by an increase in revenue from Consumer and Wholesale business unites as well as STC's subsidiaries.

Eng. Al Nasser added: the company today is playing a key role in enabling digital transformation, which is one of the main objectives of the Saudi Vision 2030. Not to mention, we have spared no efforts in investing and supporting innovative solutions as we have worked on developing digital payments, big data, use of cloud computing, cybersecurity, IoT and artificial intelligence to remain among the best telecommunication and information technology companies in the world.

In recognition of the company's leadership in providing digital solutions, STC recently received a certificate as one of the world's leading cloud computing services provider that was awarded by VMware, the global leader in cloud software and services, thus becoming the first internationally certified Saudi provider of cloud services. In addition, STC Solutions (STC's subsidiary) achieved the first position in providing IT services in the Kingdom for the 4th consecutive year with a market share of 16.8% in

2018 according to IDC report, a leading marketing research company. Moreover, STC has been recognized as a 2019 Best Practices Award winner in the Business Intelligence, Visual Analytics, and Data Discovery category by TDWI, the premier source for in-depth education and research data. On top of that, STC joined the Social International Value Organization as the first telecommunication company in the Middle East to obtain membership in this global organization, which measures and analyzes social value in order to enhance and exchange the best practices in corporate social responsibility.

Continuing to the company's achievements in serving the Hajj pilgrims, STC network achieved a record numbers during the Hajj season of 1440 AH due to the efforts of the government's various sectors and STC preparation and expansion of its 5G network in 196 locations for the first time in the holy places. In addition, the 4G network has been expanded by an additional 50% over last year. Those expansions proved their effectiveness at peak hours with a growth of traffic volume reached up to 137% compared to last year. Lastly, the 4G traffic volume (VoLTE) has grown at peak hours to more than 366% over last year.