

**STC's Net Income for Q2 and first half of 2019 compared to the comparable quarter and first half of last year increased by 16.5% & 11.3% (respectively), and it distributes SR 1 per share dividends for the 2<sup>nd</sup> quarter.**

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

- **Revenue from Services for the 2<sup>nd</sup> quarter reached SR 13,604m with an increase of 4.0% compared to the corresponding quarter last year. For the first half of 2019, the company revenue from services reached SR 26,989m an increase of 6.1%.**
- **Gross Profit for the for the 2<sup>nd</sup> quarter reached to SR 8,207m with an increase of 14.5% compared to the corresponding quarter last year. For the first half of 2019, the Gross Profit reached SR 16,111m an increase of 14.3%.**
- **Operating Profit for the 2<sup>nd</sup> quarter reached to SR 3,477m with an increase of 19.9% compared to the corresponding quarter last year. For the first half of 2019, the Operating Profit reached SR 6,753m an increase of 22.1%.**
- **Earnings before Interest, Taxes, Zakat, Depreciation and Amortization (EBITDA) for the 2<sup>nd</sup> quarter reached to SR 5,655m with an increase of 18.0% compared to the corresponding quarter last year. For the first half of 2019, the Earnings before Interest, Taxes, Zakat, Depreciation and Amortization (EBITDA) reached SR 11,041m an increase of 18.5%.**
- **Net Income for the 2<sup>nd</sup> quarter reached to SR 2,848m with an increase of 16.5% compared to the corresponding quarter last year. For the first half of 2019, the Net Income reached SR 5,598m an increase of 11.3%.**

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 24<sup>th</sup> 2019, STC will distribute a total of SR 2,000 million in cash dividend for Q2 2019, representing SR 1 per share. The eligibility of dividends shall be for the shareholders at the close of trading on Monday 29/07/2019 corresponding to 26/11/1440 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 26/08/2019 corresponding to 25/12/1440 H

Commenting on the results, Eng. Nasser bin Sulaiman Al Nasser, STC group CEO, stated: STC continues to improve its performance and achieve positive results, which reflects the company's strong operational and financial capabilities, its success in implementing its strategy, and developing and diversifying its business by providing the latest integrated communication services, digital and technological solutions. As a result, revenue from various business units (BU) achieved remarkable growth in the current quarter compared to the same quarter last year due to the increase in revenue from data, Wholesale BU, and Enterprise BU supported by the innovative products offering in the field of IoT, cloud, cybersecurity and other telecommunication products and services.

Mr. Al-Nasser also emphasized on the company's interest to improve and develop the information technology, communication infrastructure and to invest in digital economy and Cloud Computing, which will contribute to the realization of the National Transformation Plan 2020 and the Vision 2030. STC now is considered a leading company in the field of cloud computing,

where the company has established several platforms that have made it the largest cloud computing service provider in the region. This comes in conjunction with the increasing demand for Cloud Computing services in the kingdom as one of the key platforms for IT and digital developments.

In addition and as part of the Integration project for infrastructure development, the company has officially launched the 5G network services in Saudi Arabia as first operator to provide this service commercially, and make it available to customers in a number of cities in the Kingdom with more than 600 5G sites. The 5G technology will play a major role in digital transformation as a key platform for future applications in the fields of IoT and artificial intelligence that will support the existence of smart cities, cybersecurity infrastructure and providing faster mobile broadband Internet in all regions of the kingdom.

Furthermore, the deployment of 5G technology will also lead to a significant social and economic positive impact and will contribute to the Kingdom's vision and the development of its digital economy as well as its impact on key sectors such as transportation, manufacturing, logistics, security, education, health and etc.

As a part of the company's continued efforts to solidify its position among other brands, STC has won eight brand awards including the Brand Finance Award for the most valuable brand in Saudi Arabia in 2019. The report of the top 50 most valuable brands in Saudi Arabia revealed that the value of STC's brand reached nearly USD 7 billion, with an increase of 6.7% from the previous year, maintaining the first rank for the second year in a row.