

stc's revenue for Q2 and first half of 2020 compared to the comparable quarter and first half of last year increased by 9.67% & 6.91% (respectively), and it distributes SR 1 per share dividends for the 2nd quarter.

Riyadh, Kingdom of Saudi Arabia, 22 July 2020 - stc today announced the company's preliminary financial results for the period ending at 30 June 2020:

- Revenues for the 2nd quarter reached SR 14,920m with an increase of 9.67% compared to the corresponding quarter last year. For the first half of 2020, the revenues reached SR 28,855m an increase of 6.91%.
- Gross Profit for the 2nd quarter reached to SR 8,341m with an increase of 1.63% compared to the corresponding quarter last year. For the first half of 2020, the Gross Profit reached SR 16,537m with an increase of 2.64%.
- Operating Profit for the 2nd quarter reached to SR 3,062m with a decrease of (11.94%) compared to the corresponding quarter last year. For the first half of 2020, the Operating Profit reached SR 6,066m with a decrease of (10.17%).
- Earnings before Interest, Taxes, Zakat, Depreciation and Amortization (EBITDA) for the 2nd quarter reached to SR 5,342m with a decrease of (5.55%) compared to the corresponding quarter last year. For the first half of 2020, the Earnings before Interest, Taxes, Zakat, Depreciation and Amortization (EBITDA) reached SR 10,671m with a decrease of (3.35%).
- Net Income for the 2nd quarter reached to SR 2,724m with a decrease of (4.35%) compared to the corresponding quarter last year. For the first half of 2020, the Net Income reached SR 5,637m 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 Q2 2020, representing SR 1 per share. The eligibility of dividends shall be for the shareholders at the close of trading on Tuesday 28/07/2020 corresponding to 07/12/1441 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 25/08/2020 corresponding to 06/01/1442H.

Commenting on these results, Eng. Nasser bin Sulaiman Al-Nasser, stc Group CEO, indicated: the company, despite the emerging epidemic conditions of the Corona Virus (COVID-19), was able to grow its top line by 9.7% in the current quarter compared to the

same quarter of the previous year, mainly due to the increase in Enterprise and stc's subsidiaries revenues. This was achieved in spite of the challenges that the group faced due to the decrease in revenues from roaming and Umrah & tourist visitors along with the increase in provisions for doubtful debts as a consequence of Corona virus pandemic.

Further, during the same period, we were able to increase the fiber optic customers' base by 21% and broadband by 2.9%. In addition, data revenue increased by 8.6%.

As a testimony to stc's leading position, and according to Forbes magazine, stc topped the telecom companies in the Middle East and North Africa (MENA) region and was ranked the first among telecom companies, fifth among all companies listed in the stock markets, and 335th globally. stc is also recognized as the most effective brand according to the MENA Effie Awards. These remarkable rankings are undoubtedly the result of the company's continuous growth over the past years and its commitment to its values and strategy, as well as the innovative solutions and services it provides.

In addition, as a leader in Information and Communication Technology, stc has been at the forefront of technological innovation in the kingdom. It has always invested in future technologies to ensure that it meets the growing needs of its customers by providing advanced technologies such as 4G and 5G. stc has been focusing its investment in 4G network over the last few years; which resulted in delivering the best service in terms of both coverage and quality, that meets customers' expectation. stc has also embarked on the mission of being the pioneer in 5G technology, thru the continuous deployment of 5G in the kingdom. Moreover, in a move that can transform the way consumers use smart phones and devices across Saudi Arabia, stc is localizing the platform for E-SIM for the first time in the Kingdom by obtaining an international accreditation for rolling out E-SIM technology.

Lastly, the company recently published a sustainability report, which was prepared in accordance with the principles of the Global Reporting Initiative (GRI), where the company adopts best practices regarding the development and implementation of the sustainability strategy and disclosure of the company's performance in terms of environmental, social, and governance aspects along with building sustainable relationships with different stakeholders. The company has paid attention to the requirements of sustainable development in the long term, as the sustainability framework for stc has been prepared based on 7 key performance areas in alignment with stc DARE strategy. The details of sustainability report can be found through the official website of the company. www.stc.com.sa