

Financial Results Presentation Q1 2026

Introductory Message

stc started the year 2026 with strong performance, demonstrating solid growth and a continued focus on enhancing returns for its shareholders.

Performance

| | |
|-------------------------|---------|
| Revenues | 19.9 bn |
| Net Profit ¹ | 3.7 bn |

- > **stc** recorded a **strong top-line performance**, delivering a **3.8%** increase in revenues as compared to the same quarter last year.
- > **Solid bottom-line performance**, with a **12.0%** increase in net profit when excluding the non-recurring items, reflecting **stc's** robust financial position and disciplined execution of its strategic initiatives.

Financial Strength

| | |
|---------------------------------|---------|
| Cash & Equivalents ² | 15.4 bn |
| Capex | 1.7 bn |
| Interest Coverage | 12.0x |

- > **stc** maintains a **strong cash foundation**, reinforcing balance sheet resilience and enabling continued investment in strategic opportunities.
- > **stc's** targeted **Capex strategy** enabled the efficient deployment of investments, achieving a **Capex intensity** of **8.5%** for the quarter.
- > The sustained strength of the **interest coverage ratio** reflects **stc's** resilient financial position and prudent management of financing expenses.

Shareholder Returns

| | |
|-----------------------------|----------|
| Dividends | 0.55 p/s |
| Dividend Yield ³ | 9.9% |

- > **stc's** disciplined dividend policy, reflected in a quarterly distribution of **ﷲ 0.55 per share**, demonstrates its focus on shareholder value and financial stability.
- > **stc's** consistent dividend performance, reflected in a **140.9% payout ratio³** and strong yield, underscores its dedication to delivering shareholder value.

All numbers are in ﷲ.

1- Net profit attributable to the equity holders of the parent company.

2- Cash & cash equivalents from non-banking operations + short-term murabahas.

3- Calculated based on the last 12 months, including the special dividends for 2024 of ﷲ 2 per share which were distributed in June 2025. (DY is based on March 31st 2026 closing price).

Q1 at-a-Glance

Notable achievements and strong performance marked stc’s start to 2026, reflecting continued strategic execution and a sustained commitment to operational excellence and sustainable growth.

stc’s Brand Value

stc group was named the Middle East’s strongest and most valuable telecom brand, valued at $\text{ﷲ} 66$ billion, and ranked third strongest and ninth most valuable globally, according to Brand Finance.

Issue of a \$2 Bn USD Sukuk Across Two Tranches

stc group successfully issued USD 2 billion in USD-denominated Sukuk across two tranches, comprising USD 750 million five-year sukuk priced at UST + 75 bps and USD 1.25 billion ten-year sukuk priced at UST + 90 bps.

"Silklink" Project Agreement in the Syrian Arab Republic Worth $\text{ﷲ} 3$ Billion

stc group won a project award with the Syrian Sovereign Fund to implement the "Silklink" telecommunications infrastructure project in the Syrian Arab Republic, with an investment worth $\text{ﷲ} 3$ billion.

Strong Network Growth at the Two Holy Mosques in Ramadan

stc group reported record growth in network traffic and connectivity demand at the Two Holy Mosques during Ramadan, driven by the rising number of Umrah pilgrims and increased demand for services in Makkah and Madinah.

January

Participation at Riyadh Season

stc group delivered advanced digital services as a Premium Official Partner of Riyadh Season, supporting over 12 million visitors across its zones and events for the fifth consecutive year.

New Milestone in Data Governance & Innovation Leadership

stc group won two awards — “Best Use of Data Governance” and “Best Data Governance Innovator” — at the Middle East AI & Enterprise Analytics Summit 2025.

February

Participation at PIF Private Sector Forum 2026

stc group concluded its participation at the PIF Private Sector Forum 2026 by signing five agreements with Wire Filter, Saudi Net Link, GCC Technical Services Co., Netzero, Huawei and Interkey.

Participation at World Defense Show (WDS) 2026

stc group participated as a Principal Partner at WDS 2026, with specialized by stc showcasing Mission-Critical Communications and its role in enabling secure, reliable connectivity for defense and critical sectors.

March

Launch of Phase Two of “New Calling”

stc group launched the second phase of its “New Calling” service in Riyadh, introducing a pilot that enables real-time voice translation between Arabic and English.

Operational Highlights

Operational Highlights



stc's expanding customer footprint underscores the strength of its market presence, driven by its ability to deliver differentiated services and foster lasting customer relationships across the Kingdom.

stc KSA

stc Kuwait

stc Bahrain

Mobile Subscribers* (Millions)

Fixed Subscribers* (Millions)

Mobile Subscribers (Millions)

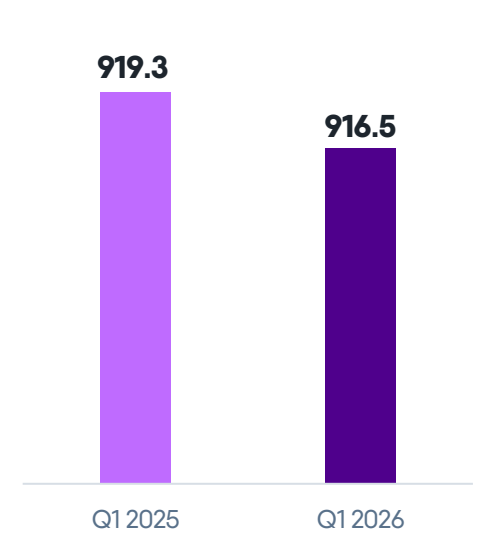
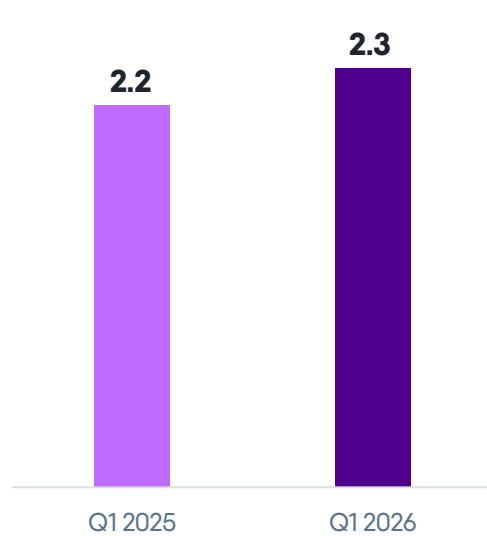
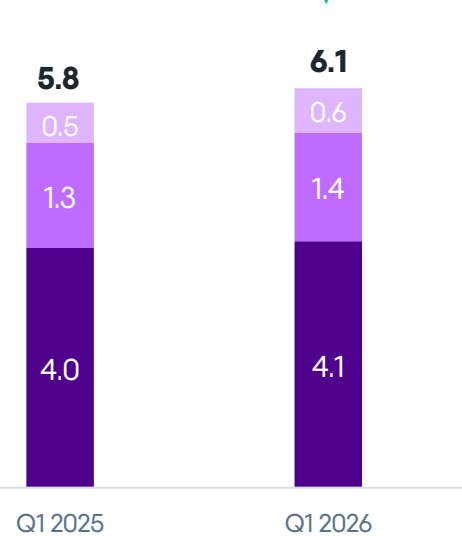
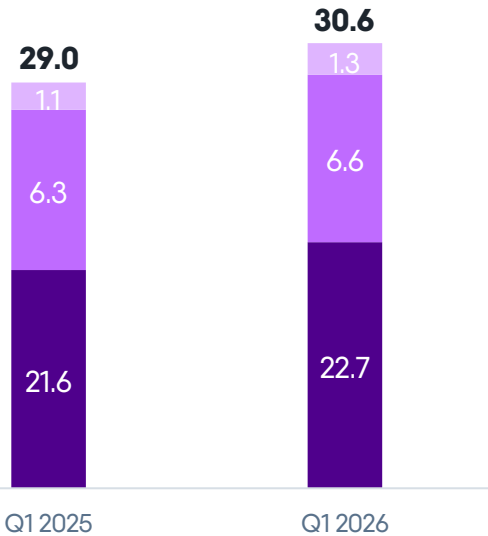
Mobile Subscribers (Thousands)

5.3%

3.1%

5.4%

(0.3%)



■ Prepaid*** ■ Postpaid**** ■ M2M

■ Fixed-wireless broadband subscriptions**
 ■ Fixed-wired broadband subscriptions
 ■ Fixed telephone lines in operation

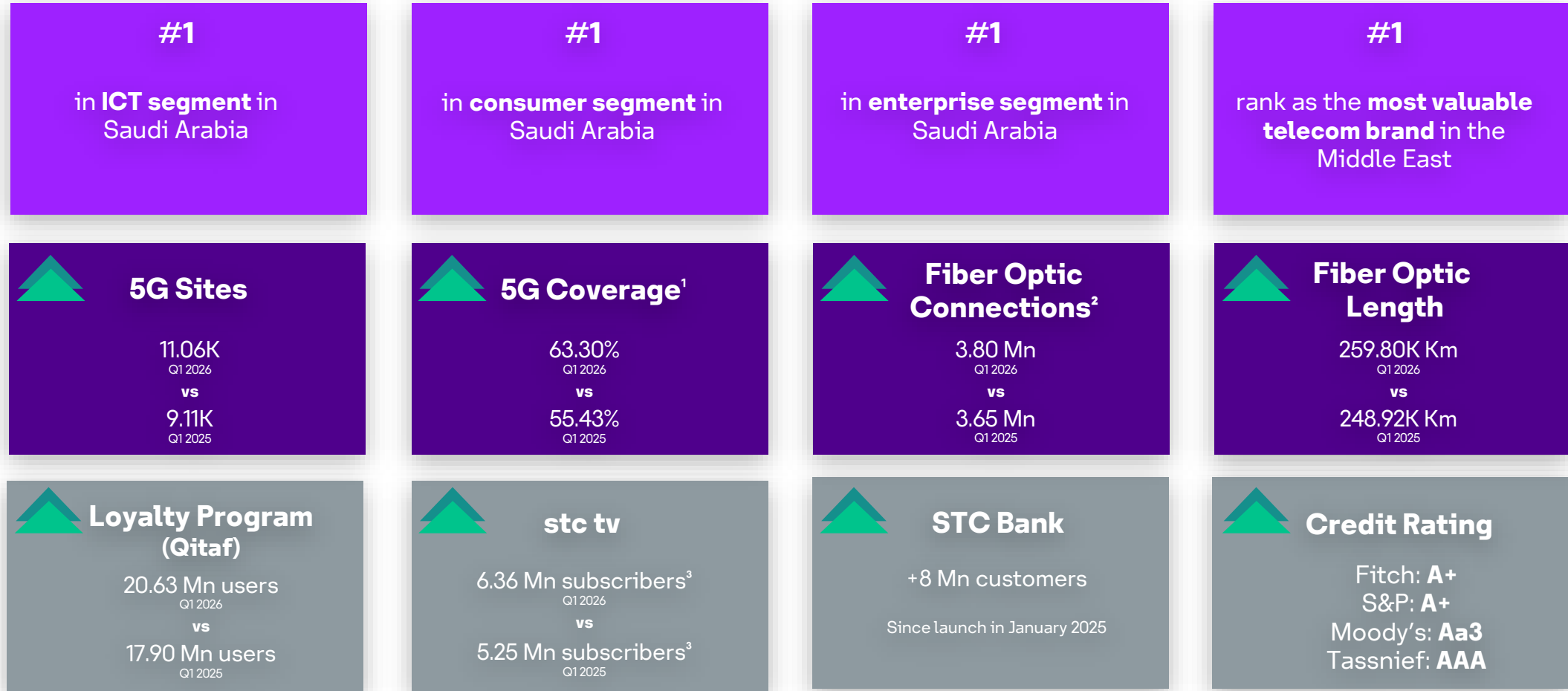
■ Total Subscribers

■ Total Subscribers

Percentage changes are calculated based on full figures.
 *Figures are not audited.
 **Fixed-wireless broadband subscribers includes 4G and 5G subscribers.
 ***Prepaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.
 ****Postpaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.

Operational Highlights

stc's strong execution across its operations continues to underpin its solid performance, supporting sustained growth and further strengthening its leadership position in the telecom sector.



1- Coverage of residential & populated areas

2- Households connected with fiber (The number includes all the Dwelling units handed over and ready for service).

3-Authorized Subscribers (Customers who have generated their login credentials and logged into stc tv or Jawwy TV at least once in their lifetime).

Financial Performance

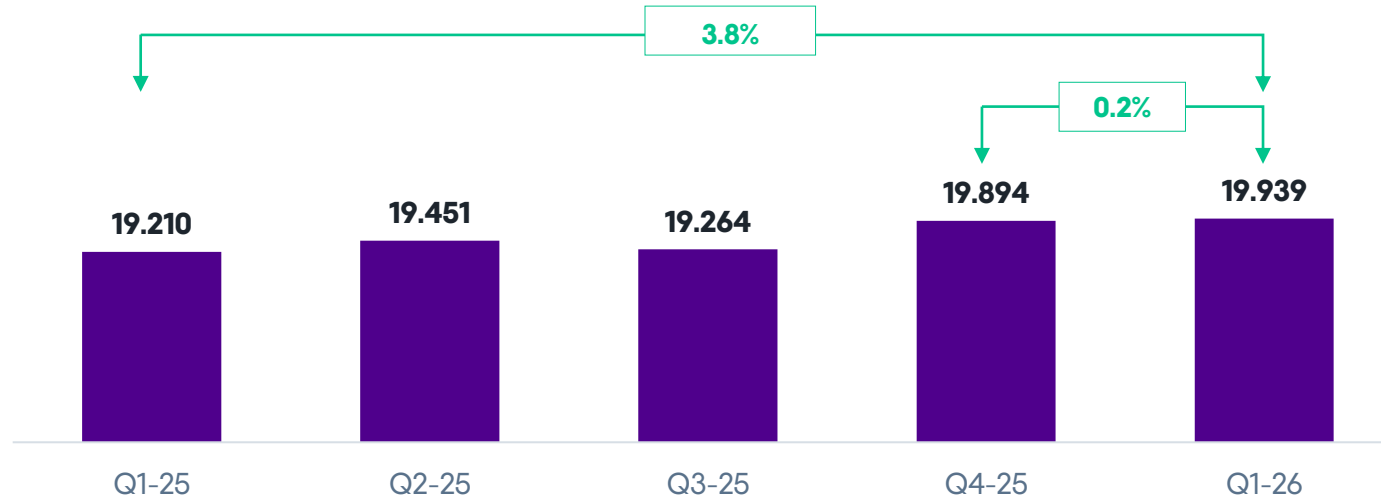
Q1 2026

stc group – Revenue and Gross Profit



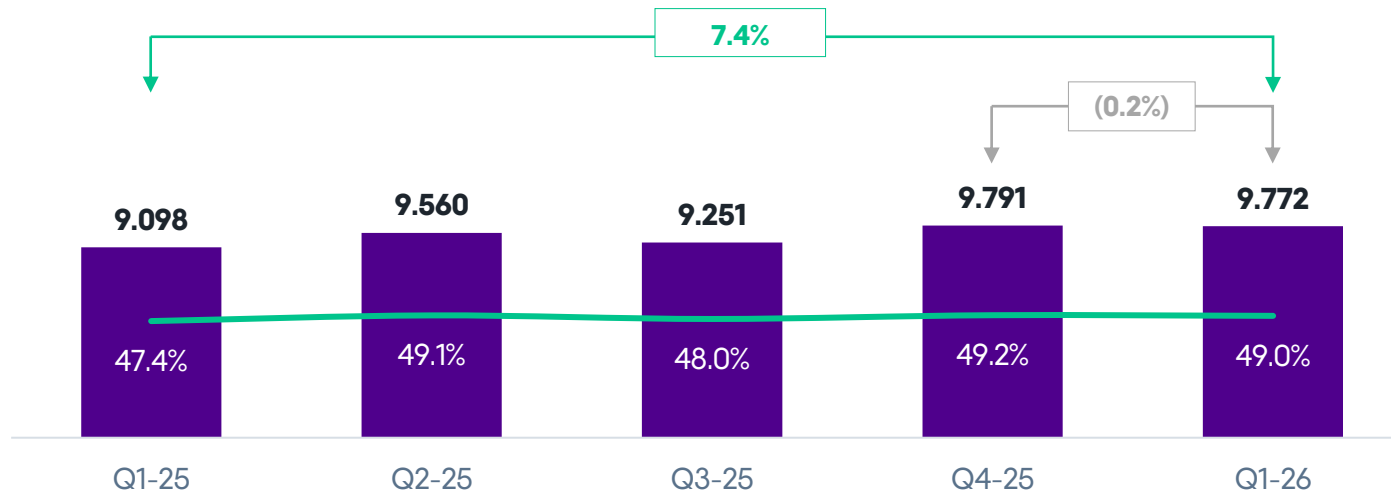
3.8% YoY rise in group’s revenues, supported by growth in the Commercial unit revenues by 5.2%, Carriers and Wholesale unit revenues by 6.2% and subsidiaries by 5.8%.

Revenue



- Q1-26 revenue increased by 3.8% YoY, reaching ₪ 19.939 billion, up by ₪ 729 million compared to the same quarter last year.
- Growth was mainly driven by higher revenues in the Commercial unit, Carrier and Wholesale unit, and subsidiaries, which grew by 5.2%, 6.2%, and 5.8% respectively.
- Q1-26 revenue increased by 0.2% compared to the previous quarter.

Gross Profit



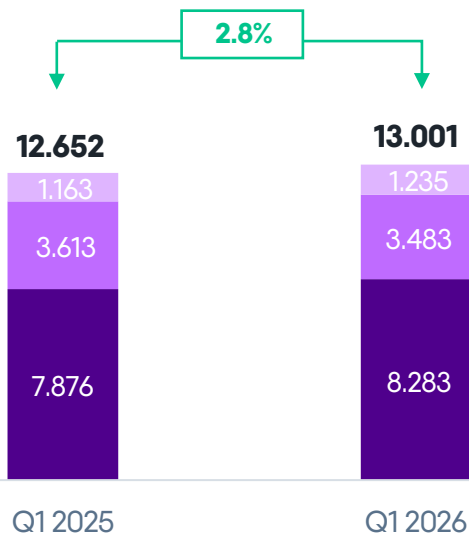
- Q1-26 gross profit reached ₪ 9.772 billion, reflecting an increase of ₪ 674 million and 7.4% YoY growth.
- Gross profit margin grew by 3.5% YoY to reach 49.0% in Q1-26, as compared to 47.4% in Q1-25.

Revenue Breakdown for stc KSA

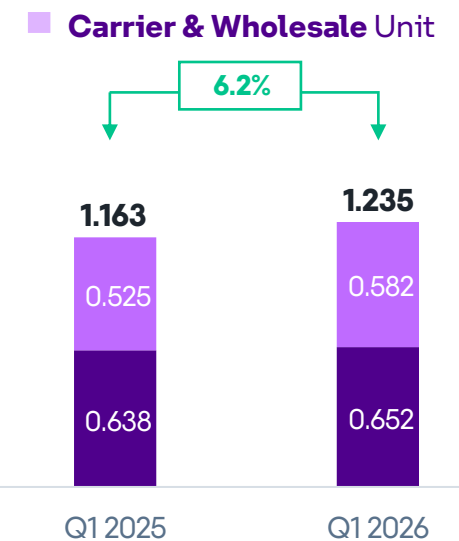
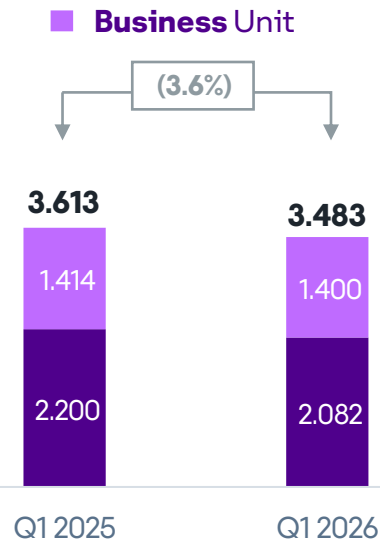
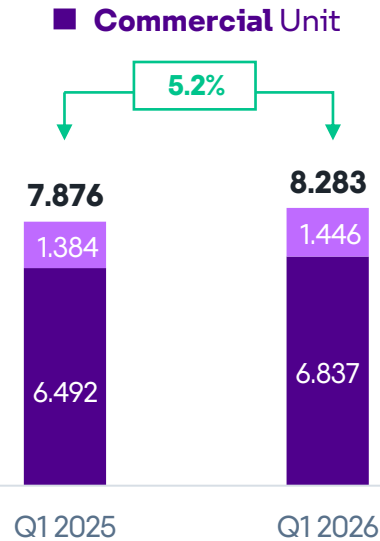


stc KSA's revenue grew by 2.8%, driven by 5.2% growth in the Commercial Unit and 6.2% uplift in the Carrier & Wholesale Unit, highlighting stc's continued strength across key segments.

stc KSA Breakdown



stc KSA: Business Units Breakdown



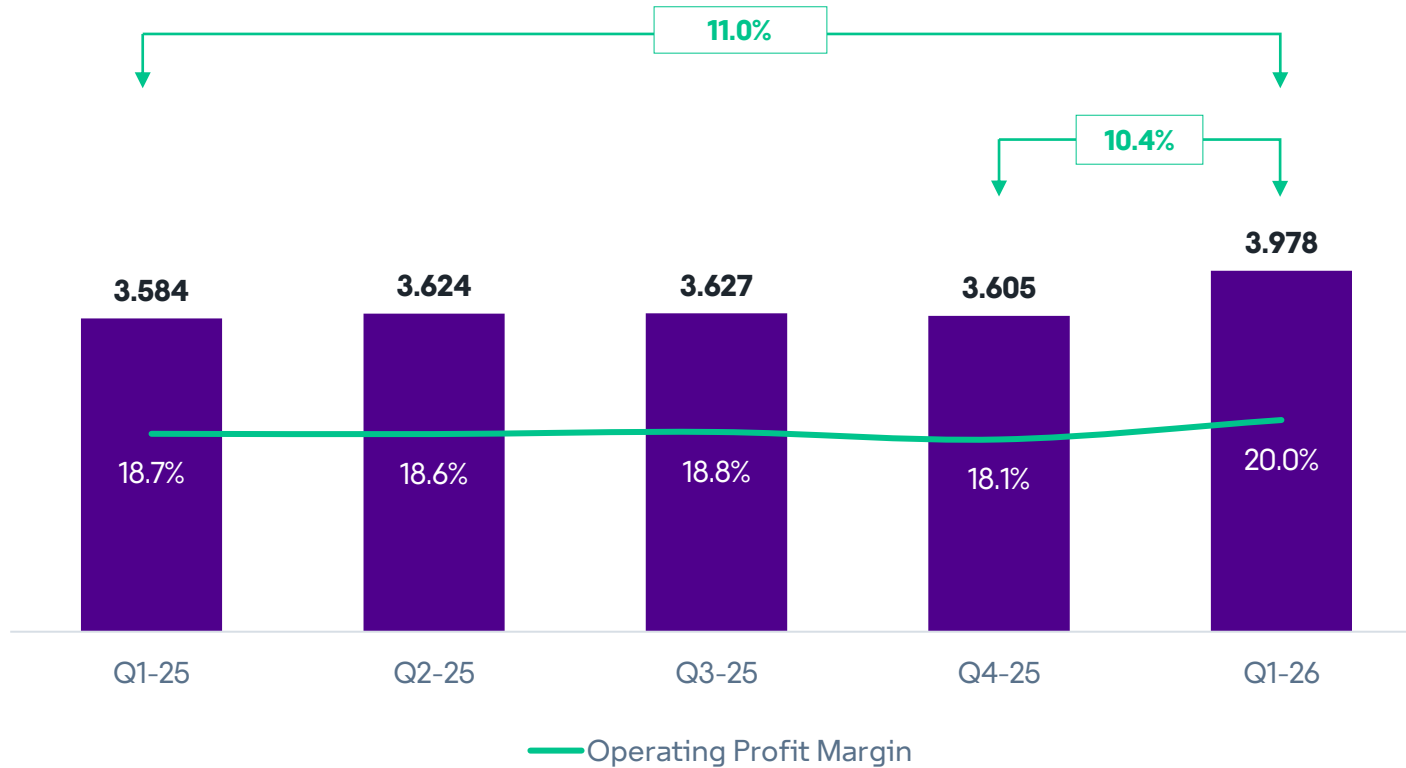
The **Commercial Unit** continued to deliver an excellent performance, achieving an overall growth of **5.2%**, supported by both the **Mobility** and **Fixed** segments, which recorded increases of **5.3%** and **4.5%**. The **Carrier & Wholesale Unit** also achieved a strong revenue growth of **6.2%**, primarily driven by an increase across the **National** and **International** segments, which grew by **11.0%** and **2.3%** compared to the same quarter last year.

The strong performance of the **Commercial** and **Carrier & Wholesale Units** helped offset the **3.6%** decline in the **Business Unit** revenue, supporting the group's ongoing efforts to strengthen financial performance.

stc group – Operating Profit

Operating profit increased by 11% YoY and 10.4% QoQ, supported by the group’s continued focus on cost efficiency initiatives.

Operating Profit



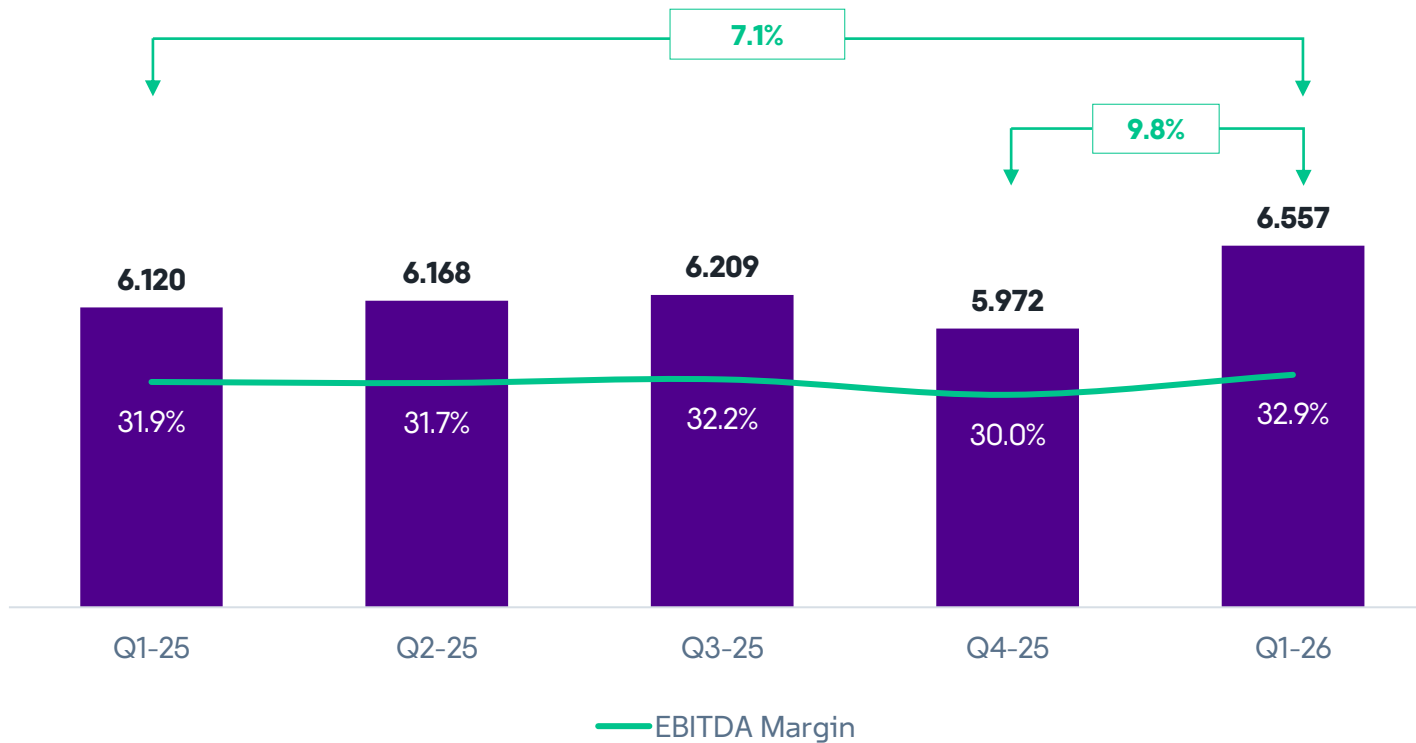
- Q1-26 operating profit amounted to $\text{¥} 3.978$ billion, reflecting an 11.0% YoY increase and a 10.4% QoQ increase.
- Operating profit margin reached 20.0% in Q1-26, increasing by 7.0% YoY and 10.1% QoQ.

stc group – EBITDA

EBITDA recorded 7.1% YoY growth and 9.8% QoQ growth, along with improved EBITDA margin.



EBITDA

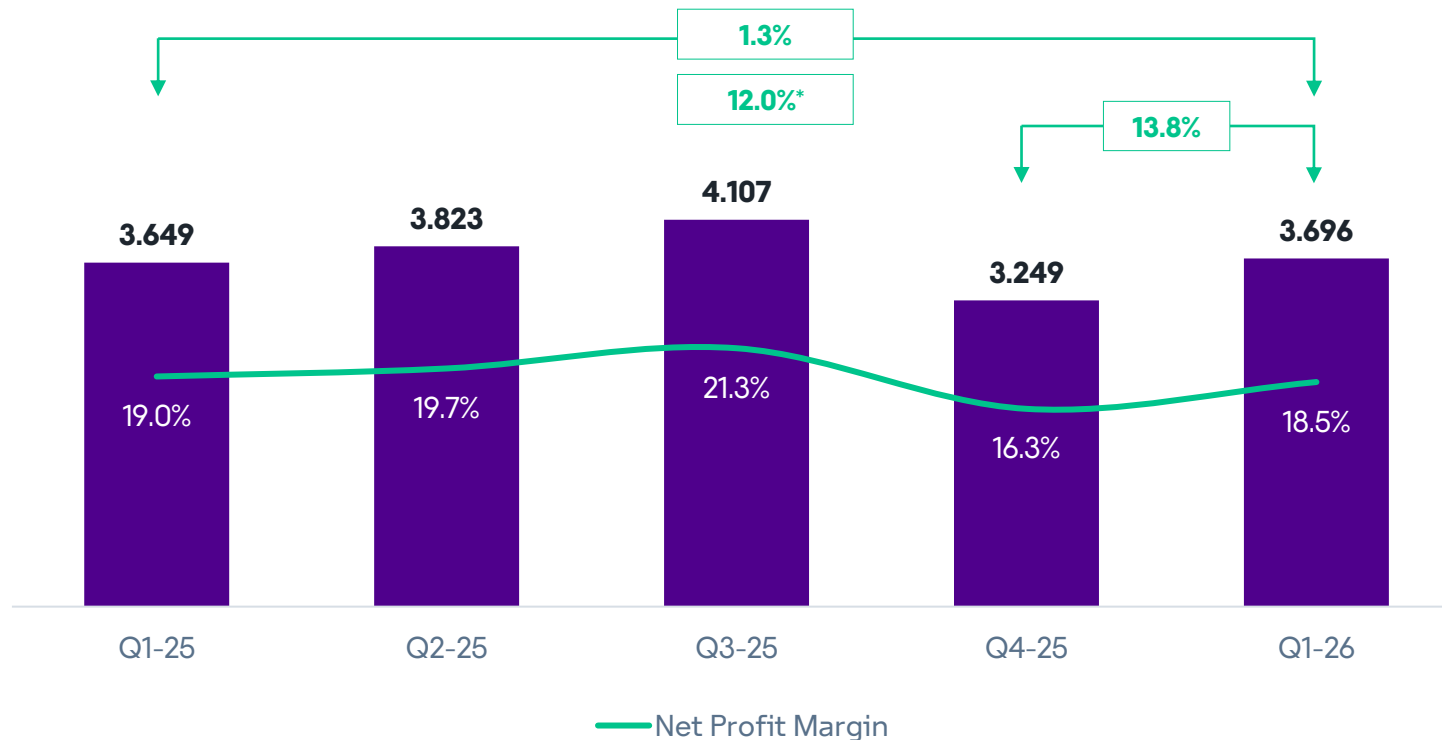


- Q1-26 EBITDA stood at ₪ 6.557 billion, increasing by 7.1% YoY and 9.8% QoQ.
- EBITDA margin reached 32.9% in Q1-26, increasing by 3.2% YoY and 9.5% QoQ.

stc group – Net Profit

Net profit increased by 12.0% YoY when excluding the non-recurring items, underscoring stc’s continued strong financial performance.

Net Profit



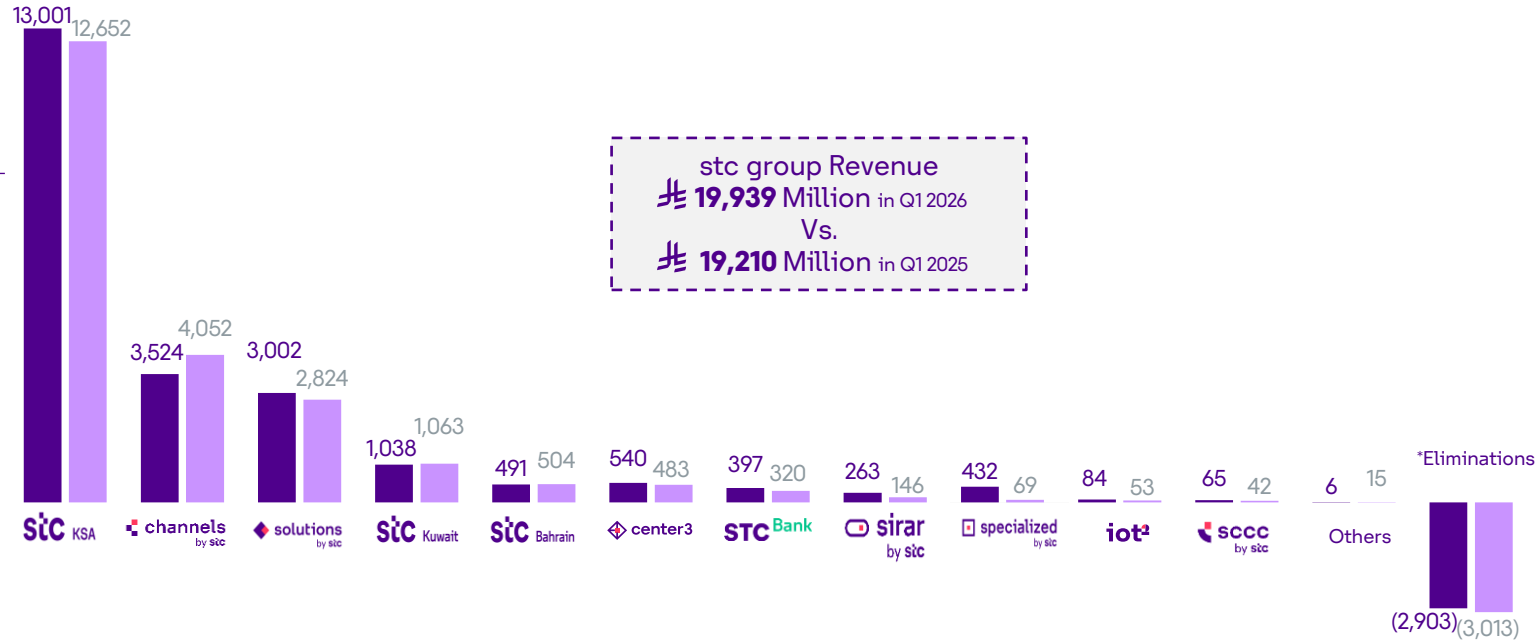
- Q1-26 net profit reached ₪ 3.696 billion, and grew by 12.0% when excluding the non-recurring items in the comparable quarter last year.
- The total other expenses decreased by ₪ 120 million, mainly due to:
 1. The booking of net other gains (losses) amounting to ₪ 166 million as compared to ₪ (143) million, mainly due to a non-recurring loss of ₪ (219) million during the comparable quarter last year, as a result of the change in the financial instruments following the increase of stc’s ownership in Telefonica from 4.97% to 9.97%.
 2. The increase in net share in results of investments in associates and joint ventures by ₪ 58 million.
 3. The decrease in net other expenses by ₪ 42 million.
 4. This is despite of the decrease in finance income by ₪ 237 million, and the increase in finance cost by ₪ 38 million.
- Zakat and income tax expense amounted to ₪ (152) million as compared to positive zakat and income tax amounted to ₪ 311 million, mainly due to the reversal of zakat provision related to previous years which are no longer required.

stc group – Breakdown by Subsidiaries



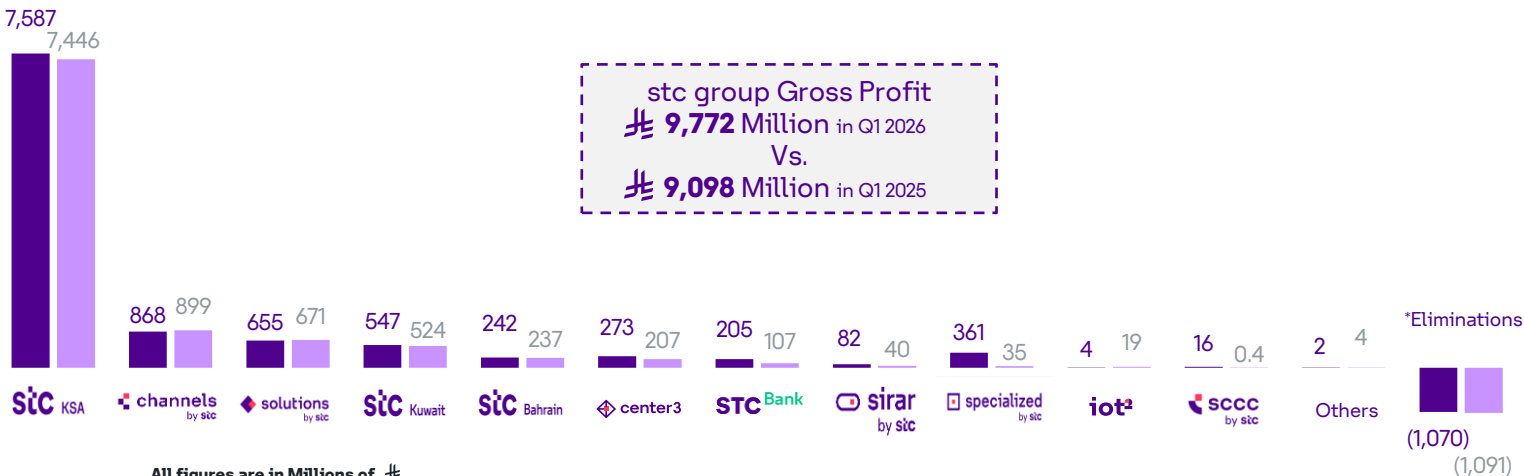
Among the group's subsidiaries, specialized achieved the highest revenue growth at 527.2%, while sccc topped gross profit growth with a 3603.9% increase.

Revenue Breakdown
For Q1 2026 vs Q1 2025



- The group's subsidiaries continued their strong performance in Q1 2026, delivering a 5.8% increase in revenue.
- In terms of revenue contribution, stc KSA remains the largest contributor at 65.2%, followed by channels at 17.7% and solutions at 15.1%.

Gross Profit Breakdown
For Q1 2026 vs Q1 2025



- In Q1 2026, the group's subsidiaries recorded a 32.3% increase in gross profit compared to the same quarter last year.
- Among the group's subsidiaries, sccc achieved exceptional growth of 3603.9%, followed by specialized at 931.4%. sirar reported a 105.8% increase, while STC Bank achieved growth of 91.4%.

Appendix

Business Highlights

- ✓ stc group announced that it has signed an agreement to implement the “Silklink” project in the Syrian Arab Republic. This signing comes after the group won a competitive process for the project, which was attended by most regional telecommunications companies. With an investment of \$ 3 billion, “Silklink” aims to enhance telecommunications infrastructure and connect Syria regionally and internationally via a fiber-optic network extending over 4,500 kilometers, alongside the establishment of data centers and international submarine cable landing stations. The project provides high data transfer capacities and greater reliability, enabling telecom operators in Syria and the region to offer advanced communication services, and support digital applications, cloud services and the Internet of Things, in addition to improving internet quality and raising the efficiency of the digital infrastructure within Syria.
- ✓ stc group continued to deliver a comprehensive suite of advanced digital services as a Premium Official Partner of Riyadh Season, supporting more than 12 million visitors across the season’s various zones and events. This marked the fifth consecutive year of stc group’s strategic partnership with Riyadh Season, during which high-quality voice traffic exceeded 2.8 million calls. To support the scale of Riyadh Season, stc group strengthened the communications infrastructure across all event locations by providing more than 15,000 terabytes of network capacity through a combination of indoor and outdoor coverage solutions, leveraging 4G and 5G technologies. This ensured fast and stable connectivity for the high volume of visitors at entertainment zones and major events, while the number of roaming customers exceeded 10,000 subscribers. This underscores stc’s broader commitment to supporting major national initiatives and enabling the digital transformation of the Kingdom’s entertainment and tourism sectors.
- ✓ stc group reported record growth in network traffic and demand for connectivity services at the Two Holy Mosques during Ramadan, driven by the increasing number of Umrah pilgrims and rising demand for connectivity and internet services in Makkah and Madinah. Network indicators showed that data traffic at Masjid Al-Haram in Makkah increased by more than 21%, with over 48% of internet traffic carried over the 5G network, representing an 18% increase compared to last year. At the Prophet’s Mosque in Madinah, data traffic rose by more than 40%, with 5G accounting for more than 48% of total internet traffic, marking a 67% increase compared to the previous year. These figures reflect the network’s operational efficiency and its ability to accommodate the significant rise in the number of visitors and pilgrims while maintaining high service quality.
- ✓ stc group concluded its participation at the PIF Private Sector Forum 2026, and the event provided stc group with a strategic platform to showcase leadership in localization through high-impact agreements, targeted partner development initiatives, and its flagship rawafed program which advances Saudi Arabia’s local tech industry. During the event, stc group signed five agreements aimed at advancing critical Saudi capabilities. These included enhancing the Kingdom’s network inspection infrastructure through collaboration with “Wire Filter”; improving wireless network performance and monitoring with “Saudi Net Link”; localizing the production of Customer Premises Equipment (CPE) devices in partnership with “Huawei” and “Interkey”; localizing technical quality assurance tests with “GCC Technical Services Co.”; and supporting Saudi Arabia’s environmental sustainability goals by deploying smart tree technology in partnership with “Netzero”.
- ✓ stc group has announced the launch of the second phase of its “New Calling” service by introducing a pilot that enables real-time voice call translation between Arabic and English. The service is powered by the advanced “New Calling” network and integrated language model capabilities, allowing callers to speak in their native language while the conversation is translated instantly and accurately for the other party, taking into account the context and nature of the call. At this stage, the service will be available to a limited number of customers in Riyadh, building on the first phase announced in 2024 as part of the group’s efforts to enhance the calling experience and improve communication efficiency among diverse user groups. The solution relies on advanced network-level processing technologies, combined with intelligent and secure voice network capabilities and optimized language models for both Arabic and English, ensuring clear and accurate translation during live calls while maintaining the highest standards of privacy and information security.
- ✓ specialized by stc concluded its participation in the World Defense Show 2026, following a prominent presence that reflected national readiness aligned with global standards and highlighted the pivotal role the company plays in supporting the Kingdom’s vital sectors. This year’s participation reaffirmed specialized’s position as a national leader in mission-critical communications, showcasing advanced operational and technical capabilities that enhance communication reliability and continuity in the most demanding environments. The exhibition also witnessed the signing of several MoUs with strategic partners, strengthening the integration of technical solutions and supporting the development of a flexible and scalable communications infrastructure that contributes to raising the readiness of vital sectors and aligns with the Kingdom’s aspirations for greater technological sovereignty and innovation.
- ✓ stc group participated in the Saudi Media Forum as the digital enabler of this leading media platform, which brought together prominent media organizations and key decision-makers in the sector. The forum provided an opportunity for stc group to showcase an integrated portfolio of advanced digital solutions designed to drive a qualitative transformation in the Saudi media sector. Building on its position as a trusted partner to the media industry and its extensive expertise in digital infrastructure and 5G networks, stc showcased—in collaboration with its subsidiaries, including solutions by stc, sirar by stc, and sccc by stc—a comprehensive suite of services aimed at enhancing the technological capabilities of the media ecosystem. These offerings include advanced connectivity solutions, cloud infrastructure, and secure digital platforms that support the entire media value chain, from content production and distribution to security, compliance, and audience engagement.
- ✓ stc group has achieved a significant milestone by winning two prestigious awards, “Best Use of Data Governance” and “Best Data Governance Innovator”. This recognition reflects the group’s strong commitment and ongoing efforts to advance data governance standards, strengthen trust in data, and enable data-driven decision-making, ultimately fostering innovation and sustainable growth. The group also works to implement a dynamic and evolving framework that promotes a culture of excellence and compliance by embedding the values of transparency, accountability, and resilience. stc group contributes to enhancing governance maturity, strengthening stakeholder confidence, and creating sustainable value for shareholders, partners, and society. These awards further affirm that strong data governance at stc group serves as a fundamental pillar for the success of its business, enhancing operational efficiency and achieving sustainable growth that aligns with its future objectives and supports its position as a leading digital company.
- ✓ stc square has signed strategic agreements with “Supermicro” and “Siemens Healthineers” to establish their regional headquarters at stc square, in a step that reflects the project’s growing position as a leading business destination and an integrated hub for smart city solutions and advanced technologies. These agreements come as part of stc square’s ongoing efforts to develop a comprehensive business ecosystem that supports the growth of global companies, accelerates innovation, and provides an advanced environment for future technologies and vital sectors. These partnerships also underscore stc square’s ability to attract major global companies from diverse industries, enhancing the project’s appeal both regionally and internationally, while reinforcing its role as a key hub for business and technology and a destination that contributes to digital transformation and the development of an innovation-driven economy.

Disclaimer

This presentation has been prepared as an informative guide that might assist interested parties in gaining an insight into the history and background of telecommunications within Saudi Arabia, as they relate to the Saudi Telecom Company (stc). Furthermore, it does not constitute an invitation or inducement to purchase or dispose of any securities, either in stc, or any companies in which stc has a financial interest.

In addition, there may also be 'forward looking' statements included within the meaning of current securities laws and regulations. In this context, any opinions expressed within this document, regarding the company's potential future performance, should be viewed as being accurate at the time of preparation. However, cognizance should be taken of the fact that uncertainty may dictate that actual performance differs substantially from any views articulated herein.

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Thank you

stc