

stc group strategy and annual strategy performance

stc group's strategy is shaped by a broad set of drivers, including global and local socio-economic dynamics, national aspirations, ICT market evolution, technology trends and stakeholder expectations. Guided by Saudi Vision 2030, stc group continues to play a pivotal role in enabling the Kingdom's transformation into a leading digital economy, supporting the national journey toward a **vibrant society**, a **thriving economy** and an **ambitious nation**. The strategy reflects stc group's ambition to lead regional digital growth, broaden its impact across the ICT ecosystem and contribute to the development of a robust and thriving digital economy.

stc group's vision is to be a "Digital and telco leader, enabling the society and economy to thrive, in KSA and beyond".

Values

Our values reflect who we are. They guide our actions, support our vision and drive us to deliver excellence for our customers, employees and partners.

Dynamism

How we become a company that is continuously looking to improve and adopt new and better ways of doing things, with a fresh and ingenious view.

Devotion

The desire to become a customer-centric for our clients and our employees.

Drive

We are "restless", looking for the best possible solutions for our clients and our employees.



stc group's strategy is based on three strategic themes

1. Reinforce leadership in telco

Through this strategic theme, stc group is directing efforts to shape the future of connectivity by staying ahead in telco markets, redefining its meaning in the digital age with world-class technology and exceptional service to enable meaningful connections and enrich lives. stc group aims to maintain and further strengthen its existing market leadership position in the telco segments. stc group's telco operations in Saudi Arabia, Kuwait and Bahrain are delivering on this strategic ambition through consumer, enterprise and wholesale connectivity services and solutions.

Key performance highlights for the telecom sector

stc group continued to strengthen its market leadership while enhancing customer experience and service quality. This included advancing its mobile, fixed and next-generation network services to sustain high performance, reliability and innovation across its telco footprint.

In KSA, stc group expanded its nationwide 5G network, achieving 63% population coverage while maintaining world-class speed and service standards. In parallel, Ookla recognized stc group as the Speedtest Awards winner for both the Fastest Mobile Network and Best Mobile Coverage in Saudi Arabia for two consecutive years, reinforcing its leadership in network quality, coverage and overall quality of service. Demonstrating its commitment to innovation, stc group successfully completed the first 7 GHz spectrum field trial in the Middle East and Africa, marking a key step toward future 6G technologies. At the national level, stc group enhanced its fiber infrastructure, deploying new fiber cables, reaching 3.75 million FTTH connections and activating 152,769 new FTTH connections, marking a key milestone in nationwide broadband rollout. In parallel, stc group achieved a global milestone through the localization of eSIM software, a breakthrough recognized by the GSMA, reinforcing Saudi Arabia's position in telecom innovation and digital sovereignty. Network resilience was further demonstrated during the Hajj season, where record traffic levels were managed seamlessly, data usage rose by 64% and 5G traffic surged 129% year-on-year.



stc group strategy and annual strategy performance continued

2. Capture the infrastructure opportunity

The main focus of this strategic theme is to build the backbone of progress by developing cutting-edge infrastructure focused on advancing national priorities, helping economies to thrive and paving the way for sustainable growth. stc group aims to expand and monetize its infrastructure assets including fiber, data centers, submarine cables, mission critical network and passive towers. One of the key objectives of this strategic theme is to be a partner of choice for infrastructure deployment in ongoing and planned giga and mega projects in Saudi Arabia. On the group level, this strategic theme is mainly delivered by center3, Specialized and TAWAL.

Key performance highlights for the infrastructure leadership

In 2025, stc group continued to capitalize on infrastructure opportunities across Saudi Arabia and the wider region, reinforcing its role as the partner of choice in enabling national digital ecosystems. The stc group advanced its data centers, mission-critical networks and satellite connectivity, thereby driving national scalability, reliability and global connectivity.

center3 was recognized as the Best Data Center Provider in the Middle East and Africa at the 2025 Datacloud Global Congress, demonstrating its leadership in building carrier-neutral, hyperscale-ready facilities that underpin the region's digital growth. Building on this momentum, stc group is significantly expanding its data center capacity, targeting 1 GW by 2030 to power AI, cloud and hyperscaler growth across MENA. stc group's position is further strengthened through a recently announced strategic joint venture with HUMAIN (a PIF subsidiary) that envisions to deploy and enable up to 1 GW of AI workloads and support next-generation digital services in the Kingdom.

To reinforce critical sectors, stc group launched the Mission and Business-Critical Network, a secure LTE platform designed for government, healthcare and energy industries, integrating AI, edge computing and IoT for reliable and future-ready operations. As part of this achievement, stc group signed a 32.6 billion agreement with a government entity to build, operate and manage national telecom infrastructure, underscoring its central role in advancing Saudi Arabia's mission-critical connectivity and infrastructure agenda.

Complementing terrestrial networks, stc group partnered with AST SpaceMobile to enable space-based direct-to-device services, expanding coverage to underserved areas and enhancing national digital inclusion. Regionally, stc group and Ooredoo Oman signed a heads of terms agreement to establish an international fiber corridor between Saudi Arabia and Oman, strengthening cross-border connectivity and positioning Saudi Arabia as a regional digital hub.

3. Strengthen the digital portfolio

Building on a well-established digital foundation, this strategic theme aims to unlock greater value from stc group's diversified digital portfolio while identifying emerging opportunities for growth. The focus is on deepening integration, enhancing scalability and driving innovation across key domains, including IT professional services, cybersecurity, cloud computing, IoT-enabled smart solutions, business process outsourcing (BPO) and digital financial services. Each of these selected areas has a strong market growth potential as well as a strong right to win for stc group. stc group continues to invest and build capabilities in each of these segments through its subsidiaries: sirar, IoT squared, Channels, sccc by stc and STC Bank.

Key performance highlights for the digital theme

stc group continued to advance its digital portfolio, driving innovation across IT professional services, digital financial services, cybersecurity, cloud, IoT-enabled solutions, AI technologies and customer engagement platforms. In enterprise IT, solutions by stc maintained its market leadership, driving growth through large-scale digital transformation projects across public and private sectors. In digital financial services, the official launch of STC Bank marked a significant milestone by providing digital banking services to a wider customer segment in KSA. In cybersecurity, sirar strengthened Saudi Arabia's digital defense by obtaining a Tier 1 license from the National Cybersecurity Authority for Managed Security Operations Center (MSOC) services, cementing its position among the Kingdom's leading cybersecurity providers. In cloud and IoT-enabled solutions, stc group expanded global alliances with Singtel and Oracle, the latter exceeding 2 billion, to accelerate cloud transformation and digital platform development. Meanwhile, IoT squared partnered with Vizzio Technologies to deploy AI-powered visualization and smart city solutions, advancing the Kingdom's smart city and sustainability agenda. Furthermore, in customer engagement platforms, stc group launched the new qitaf application for loyalty, expanding one of the region's largest loyalty ecosystems to over 19.60 million users through personalized rewards and integrated wallet features. Meanwhile, stc tv strengthened its position in digital media, surpassing 6 million subscribers and enhancing the Kingdom's entertainment landscape through diverse, exclusive and on-demand content. stc group also elevated digital fan engagement through eSports, where stc group continues to power major regional gaming events and youth engagement initiatives, reinforcing its leadership in digital entertainment.



stc group strategy and annual strategy performance continued**stc group's strategy is enabled by two strategic enablers that are essential to driving the successful execution of its ambitions****Accelerate investments and maximize operational and capital management efficiency**

The focus of this key strategic enabler is to drive excellence and efficiency by improving execution performance, optimizing processes, boosting financial management capabilities, ensuring disciplined and agile decision-making and doubling down on next generation and emerging technologies. Ongoing and future inorganic activities required for scale and scope expansion and development of capabilities are also a focus of this strategic enabler.

Build a resilient and agile organization

Through this enabler, stc group is focusing on strengthening organizational resilience and adaptability to navigate an evolving business landscape. The enabler focuses on fostering a people-first culture by nurturing talent, building capabilities and embracing an agile, action-oriented mindset. Building an optimal organizational structure, governance and operating model are essential elements of this enabler to ensure maximum value realization for the sum of parts of stc group. Effective communication and management of external stakeholders are also key priorities of this enabler.

Both of the above strategic enablers are delivered through group functions that ensure stc group's ability to execute its strategy with discipline, agility and innovation, driving long-term growth and reinforcing its position as a leading digital enabler.

Activating stc group's strategy through enablers

In 2025, stc group executed its strategy through strong enablers focused on efficiency, technology and digital transformation, and human capital development. Under the first enabler, "Accelerate Investments and Maximize Operational and Capital Management Efficiency", stc group enhanced execution discipline and capital utilization through improved processes, automation and faster and dynamic decision making. Group-wide capital and operating expenses efficiency continues to be governed by a dedicated group efficiency program delivering significant savings year-on-year. Through inspireU, stc group accelerated over 130 digital startups, achieving a total funding raised by those startups of more than $\text{A\$}$ 1 billion. stc group continues to invest in early-stage startups in key technology sectors including fintech, cybersecurity and cloud computing through its capital venture and corporate innovation funds – STV and tali ventures, respectively.

By focusing on the second enabler, "Build a Resilient and Agile Organization", stc group achieved a 5-star rating under the EFQM 2025 Model, becoming the first Saudi private-sector company and the first telecommunications company globally to attain this recognition. stc group continued to prioritize its people and culture as key enablers of organizational success, supported by targeted inclusion and empowerment programs for leadership and specialized skill-building initiatives.

In addition, stc group invested heavily in sustainable business practices and these efforts were reflected in achieving an MSCI rating upgrade to category AA in 2025 from BBB in 2024.

Together, these achievements strengthened operational efficiency, organizational resilience and technological excellence, enabling stc group to efficiently execute its strategy and sustain its leadership as a digital enabler of Vision 2030.

