

# Subsidiaries and Investments

## Subsidiaries (Local and International)

Name of Subsidiary	Country of Incorporation	Shareholding Percentage	
		31 December 2023	31 December 2022
Arabian Internet and Communications Services Company (solutions)	Kingdom of Saudi Arabia	80%	80%
Telecommunications Towers Company (TAWAL)	Kingdom of Saudi Arabia	100%	100%
Saudi Telecom Channels Company (Channels)	Kingdom of Saudi Arabia	100%	100%
Saudi Digital Payments Company (stc Bank)	Kingdom of Saudi Arabia	85%	85%
Digital Centers for Data and Telecommunications Company (center3)	Kingdom of Saudi Arabia	100%	100%
Advanced Technology and Cybersecurity Company (sirar)	Kingdom of Saudi Arabia	100%	100%
Internet of Things Information Technology Company (IoT squared)	Kingdom of Saudi Arabia	50%	50%
General Cloud Computing Company for Information Technology (SCCC)	Kingdom of Saudi Arabia	55%	55%
Public Telecommunications Company (Specialized)	Kingdom of Saudi Arabia	100%	100%
Gulf Digital Media Model Company Ltd (Intigral)	Kingdom of Saudi Arabia	100%	100%
Aqalat Limited Company (Aqalat)	Kingdom of Saudi Arabia	100%	100%
Telecom Commercial Investment Company Limited (TCIC)	Kingdom of Saudi Arabia	100%	100%
Smart Zone Real Estate Company	Kingdom of Saudi Arabia	100%	100%
Sendouk AL-Abatakar for Investment Company	Kingdom of Saudi Arabia	100%	100%
Digital Infrastructure Company	Kingdom of Saudi Arabia	100%	-
stc Bahrain Company (stc Bahrain)	Kingdom of Bahrain	100%	100%
Kuwait Telecommunication Company (stc Kuwait)	Kuwait	51.8%	51.8%
stc Asia Holding Ltd (stc Asia)	British Virgin Islands	100%	100%
stc Turkey Holding Ltd (stc Turkey)	British Virgin Islands	100%	100%
stc Gulf Investment Holding (stc Gulf)	Kingdom of Bahrain	100%	100%
stc GCC Cables System W.L.L. (stc GCC)	Kingdom of Bahrain	100%	100%
Green Bridge Investment Company (GBI)	Luxembourg	100%	-
Green Bridge Management Company (GBM)	Luxembourg	100%	-

## Local subsidiaries

### Arabian Internet and Communications Services Company (solutions)

#### solutions strategy

As a trailblazer in the ICT industry, solutions is focused on continuous growth. This includes expanding and integrating its service offerings, as well as building new capabilities to stay ahead in the fast-evolving technology landscape.

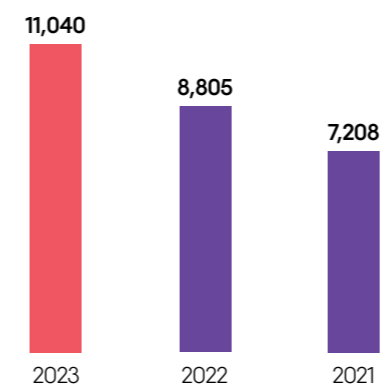
Its LEAP 2.0 strategy seeks to harness cutting-edge technologies, optimize service delivery, and ensure its solutions are relevant for today and revolutionary for tomorrow. The expansion into new business models and the emphasis on a scalable innovation program underlines its commitment to being at the forefront of technological evolution.

Its strategic pillars are:

- **Lead through service excellence.**
- **Empower business growth and diversification.**
- **Achieve excellence in customer engagements.**
- **Promote efficiencies and sustainability.**

solutions acquisitions and investments will strengthen its offerings and improve efficiency, supporting its strategy that aligns seamlessly with the Kingdom's Vision 2030, demonstrating its commitment to contributing to Saudi Arabia's broader ambitions.

#### solutions Revenue (SAR million)

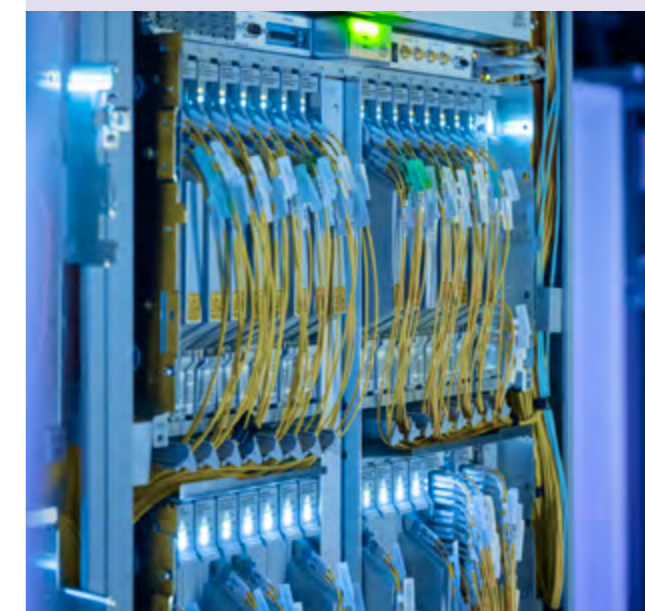


#### About solutions

Established in April 2002 and acquired by stc in 2007, the Arabian Internet and Communications Services Company (solutions) has emerged as a pivotal provider of internet services and operation of communication projects and transmission and processing of information in the Saudi market. solutions headquarters are located in the Kingdom.

A key milestone in the company's journey was the initial public offering (IPO) in 2021. stc offered 20% of its shareholding in solutions on the Saudi Exchange, with an additional 1% of solutions' share capital earmarked for an employee long term incentive plan, underscoring the company's commitment to its workforce. As at 31 December 2023, solutions' share capital is SAR 1,200 million.

Based in Saudi Arabia, with its operations concentrated in the Kingdom, solutions has positioned itself as a leading force in driving digital transformation and holds the distinction of being the premier ICT service provider for both public and private sectors. It offers comprehensive, end-to-end IT services and solutions, adopting a holistic one-stop-shop approach that spans the entire IT value chain.



**Subsidiaries and Investments** continued

**2023 Achievements**

In 2023, solutions marked a year of remarkable achievements, characterized by significant partnerships, strategic acquisitions and notable progress in digital transformation. The company saw an impressive increase in revenue and a notable surge in its share price, reflecting its strong performance in the market.

The expansion of its partner network was a key focus, with the addition of several major technology giants. This expansion was complemented by strategic acquisitions, such as Giza Systems and Devoteam Middle East, which have been instrumental in strengthening the company's market position. The acquisition of Giza Systems, a leading system integrator in the Middle East, and the 40% stake in Devoteam Middle East, a major player in digital strategy consulting, signified solutions' commitment to enhancing its technological capabilities and service offerings.

A significant achievement in the company's digital transformation journey was the introduction of the "Takyah" mobile app, specifically designed for employees. This app represents a milestone in enhancing employee engagement and operational efficiency through digital means.

Employee development was another area of focus for the company. solutions invested in upskilling its workforce, recognizing the importance of human capital in driving innovation and growth. The robust implementation of robotic process automation (RPA) and the deployment of

advanced security measures further demonstrated the company's commitment to technological advancement and cybersecurity.

Moreover, solutions broadened its service offerings to include the healthcare and education sectors, emphasizing its role in driving innovation and accessibility in these vital areas. This expansion aligns with the company's strategy to diversify its portfolio and tap into new market segments.

The company also completed the acquisition of the Contact Center Company (CCC), a provider of end-to-end services from technical support to data analytics. This acquisition further matured its capabilities in customer service and data analysis.

Additionally, the company's investment in Nile Company, aimed at providing enterprise network technology, is set to accelerate digital transformation in the Kingdom of Saudi Arabia, Kuwait, Bahrain, Oman and Egypt.

Lastly, a memorandum of understanding (MoU) signed with Samsung to drive digital transformation in KSA was another highlight. This partnership aims to deliver secure, fast and reliable communications solutions, meeting the emerging needs of the market.

These strategic moves underscore solutions' commitment to innovation, market expansion and digital transformation, setting the stage for continued growth and success in the dynamic ICT sector.



**Telecommunications Towers Company (TAWAL)**

**TAWAL's strategy**

TAWAL's strategy is focused on strengthening its core proposition while commercializing adjacent products to become a one-stop-shop. It aims to expand beyond its home market and become a regional infra services provider while enriching customer experience.

**2023 Achievements**

In 2023, TAWAL achieved significant milestones in its operations. The company constructed over 500 new towers and implemented more than 6,000 upgrades for 5G technology. Furthermore, TAWAL facilitated colocations for various licensed operators, achieving a tower tenancy ratio of 1.19.

The company also successfully deployed around 30 in-building solutions (IBS) sites for non-MNO clients such as ARAMCO and projects like Boulevard. Additionally, TAWAL introduced innovative camouflage tower designs tailored for major project developers, including ALUla.

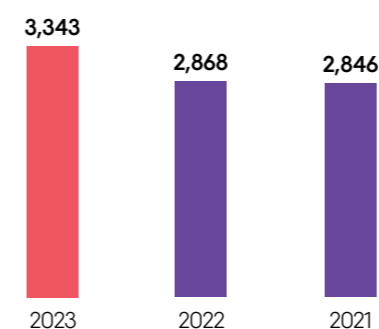
By expanding its international footprint, TAWAL completed the acquisition of AWAL in Pakistan, leading to the establishment of TAWAL Pakistan. The company is now strategically focusing on signing master service agreements (MSA) with key players in the Pakistani market.

Moreover, TAWAL marked its entry into the European market by acquiring 4,821 existing towers and a plan to roll out 2,054 new towers from the United Group across 3 countries – Bulgaria, Croatia and Slovenia – for a total of SAR 5 billion (USD 1.3 billion). This led to the formation of TAWAL Europe, which aims to drive further growth in the Central and Eastern European region.

In terms of operational excellence, TAWAL maintained a remarkable 99.9% Power Network Interface (PNI) availability across all locations for all operators throughout 2023. Particularly during the peak of the 2023 Hajj season, TAWAL played a crucial role in ensuring uninterrupted connectivity for end-users by maintaining an infrastructure services availability of 99.9%.

In October 2022, stc received a non-binding offer from the Public Investment Fund (PIF) to acquire 51% of the shares of TAWAL, valuing the company at SAR 21.94 billion. The offer does not represent any binding commitment on both parties and it remains subject to completing the due diligence and reaching final and binding agreement which will be conditional upon obtaining all regulatory approvals from relevant authorities including the approval from the General Authority for Competition, internal approvals of the respective parties, and any other conditions that may be agreed between the parties.

**TAWAL Revenue (SAR million)**



**About TAWAL**

Telecommunications Towers Company (TAWAL) was established by stc in January 2018, with a share capital of SAR 2,500 million wholly owned by stc, and its responsible for owning, constructing, operating, leasing and commercializing telecom towers. Its head office is located in the Kingdom of Saudi Arabia.

TAWAL started its commercial operation in 2019 to provide ICT infrastructure services. Moreover, TAWAL is licensed by the Communications, Space and Technology Commission (CST) to provide Class A (towers and masts, FTTT releasing) and Class B (indoor solution – IBS, small cells) ICT infrastructure services.

TAWAL has grown to become MENA's largest telecommunication tower company, with a portfolio of more than 21,000 telecom towers distributed across the Kingdom of Saudi Arabia, Bulgaria, Croatia, Slovenia and Pakistan.

TAWAL also provides a range of adjacent ICT infrastructure services, including in-building solutions, fiber-to-the-tower re-selling, small cells, and coverage as a service.

Subsidiaries and Investments continued

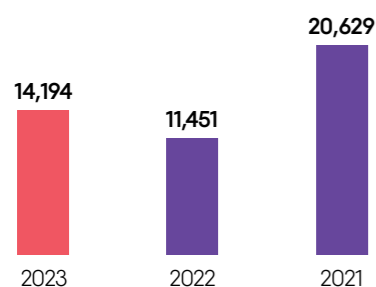
## Saudi Telecom Channels Company (Channels)

### Channels' strategy

Channels' strategic vision is to excel by:

- 1) **Boosting its profitability by sustaining revenue growth with a healthy margin.**
- 2) **Enabling the advancement of stc core services to realize stc strategic ambitions in Saudi Arabia and beyond.**
- 3) **Developing the required capabilities to achieve expansion objectives.**

### Channels Revenue (SAR million)



### About Channels

Saudi Telecom Channels Company (Channels) is the sales and distribution arm of stc. Established in January 2008 with the purpose of operating in the wholesale and retail trade of recharge card services, telecommunication equipment and devices, computer services, sale and re-sale of all fixed and mobile telecommunication services, and commercial centres' maintenance and operation.

Channels has evolved into a leading company in the field of sales and distribution in the Middle East. Channels has expanded to GCC countries – Bahrain, Oman and Kuwait – and has established itself as the partner of choice for major telecom companies in the region by introducing a diversified portfolio of growth and telco products.

Channels is headquartered in Saudi Arabia, and operates across Saudi Arabia as well as through subsidiaries in Bahrain, Oman and Kuwait.

stc owns 100% of Channels share capital, amounting to SAR 100 million.

### 2023 Achievements

Channels has built solid capabilities across all its operations, for instance, sales channels' capabilities include:

**Retail:** Channels is a pioneer in offering sales experience with global standards, starting from channels role as the main operator of all retail outlets through branches spread across the region, amounting to more than 230 branches.

**Distribution:** Channels is the leading distributor in the telecom sector. Channels is a pioneer in the field and always strives to meet the needs of its customers in all markets through effective presence in traditional trade and providing services through a huge distribution network of more than 70,000 points of sale.

**Field sales:** Direct sales channels across the Kingdom that enable channels to reach B2C and SME customers offering various products and services through experienced sales agents equipped with advanced technical tools.

**Last mile delivery:** dal, the last mile service, is Channels' logistic arm for delivering stc Group's orders in addition to 25 successful partners, with more than 10 million successful deliveries completed by the efforts of 16,000 Saudi delivery agents.

In 2023, Channels and its subsidiaries realized significant achievements, setting a solid foundation for expedited growth across its product and services, including:

**+28%**  
Consumer electronics

**+17%**  
International business

**+57%**  
Last mile deliveries

### Awards and recognitions



Awarded by  
**PIF**



Awarded by  
**Logistics Middle East Awards**



Awarded by  
**Customer Experience Live**



Awarded by  
**Digital Experience Awards**



Awarded by  
**Middle East Technology Excellence Awards**



Awarded by  
**Middle East Technology Excellence Awards**



Awarded by  
**Supply Chain and Logistics Conference**



Awarded by  
**Retail Leaders Circle MENA**



Awarded by  
**CEO Middle East**

**Subsidiaries and Investments** continued

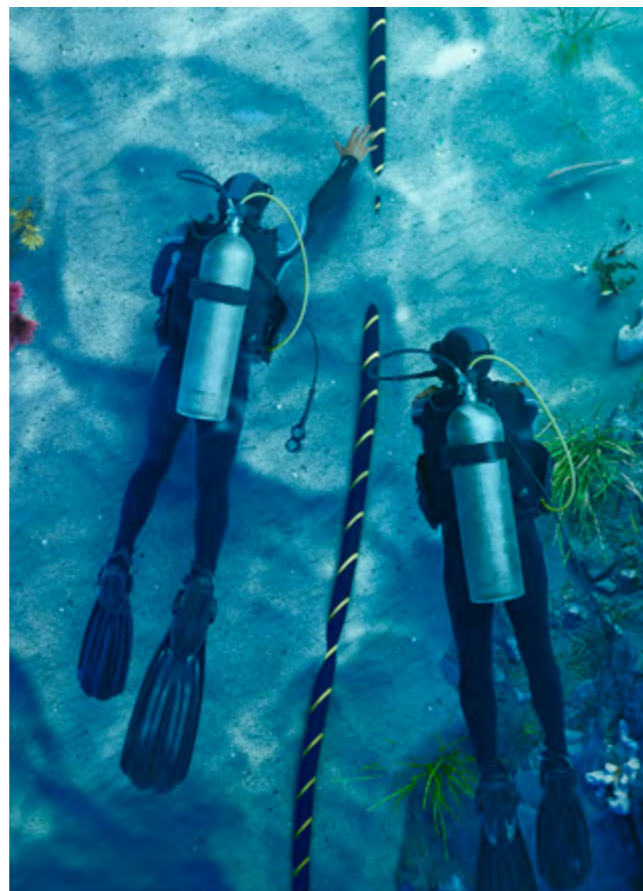
**Saudi Digital Payments Company (stc Bank)**

**stc Bank's strategy**

stc Bank is undergoing a strategic transformation to establish itself as the premier digital bank in the Kingdom. It has already achieved several critical milestones in its transformation program and is approaching its commercial launch to customers. This next phase is contingent upon meeting the remaining regulatory requirements set by the Saudi Central Bank (SAMA).

In January 2023, Saudi Central Bank lifted the restrictions on the deposited capital of stc Bank for the amount of SR 1,552 million, which was deposited for the conversion of the Bank from a limited liability company to a closed joint stock company.

The central strategic ambition of stc Bank is to stand out as a leader and innovator in the financial services sector. This involves offering services that differ significantly from traditional banking methods, primarily through its advanced digital channels. The bank places a strong emphasis on adding value for its customers and substantially enhancing their banking experience. This customer-centric approach is fundamental to stc Bank's objective of redefining and enriching the digital banking landscape in the region.



**About stc Bank**

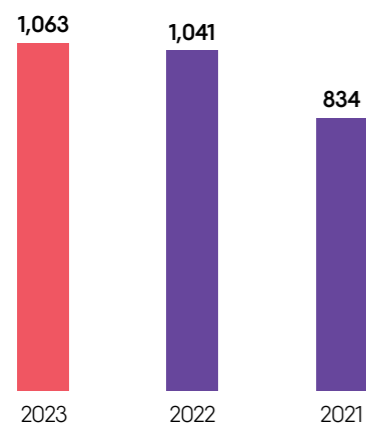
Saudi Digital Payments Company (stc Bank) was established in November 2017 to offer digital payment services in the Kingdom of Saudi Arabia.

In 2020, it was officially licensed as an electronic wallet company and a payment service provider, and Western Union acquired 15% of the company in the same year.

stc Bank received its digital banking services license from the Council of Ministers in 2021, with a share capital of SAR 2.5 billion.

stc Bank is headquartered in Riyadh and carries out its operational activities throughout the Kingdom of Saudi Arabia.

**stc Bank (SAR million)**



**2023 Achievements**

In 2023, stc Bank delivered notable growth in its key operational metrics, indicating a strong year-on-year performance, reflecting its rising prominence and success in the digital banking sector.

**+11.5%**

App downloads

**+60.6%**

Cards spending

**+23.2%**

Active users (180 days)

**+68.5%**

Peer-to-peer transactions

**+33.8%**

Customer deposits

**+9.3%**

International remittance

**+62.2%**

Transactions

**Awards and recognitions**



Silver Award for Eidy Campaign

Awarded by  
**Dubai MENA Effie Awards 2023**



Best Project Implementation Award for Treasury Implementation

Awarded by  
**IBSi Global FinTech Innovation Awards 2023**



Regional Winner in the Middle East

Awarded by  
**IBSi NeoChallenger Banks Awards 2023**

**Subsidiaries and Investments** continued

**Digital Centers for Data and Telecommunications Company (center3)**

**center3 strategy**

center3's PRIME strategy is focused on key strategic themes to solidify customer engagement models and commercial value propositions, building long-term partnerships and reimagining the data hub paradigm into a one-stop-shop integrated service platform that provides customers with a world-class experience. In addition, center3 will invest in the enlargement of its asset portfolio in Saudi Arabia and internationally.

**About center3**

Digital Centers for Data and Telecommunications Company (center3) was established in February 2022 with a share capital of SAR 100 million, with the purpose of providing services related to big data, data analytics and cloud computing in the Kingdom.

center3 is the result of the stc's vision for the Kingdom of Saudi Arabia to be the hub of all international data connectivity crossing and connecting 3 continents (Europe, Asia and Africa), as well as a data center hub for the MENA region.

Headquartered in Riyadh, it carries out its operational activities in the Kingdom, with a footprint of over 25 data centers and 16 international subsea cables (operational and under construction).

Hyperscalers, gaming and content providers, cloud providers and global international carriers all benefit from the integrated platforms that center3 owns, enabling them to better serve their own regional customers with unparalleled scalability and speed.

**2023 Achievements**

In 2023, center3 launched several new data centers across Saudi Arabia, in Jeddah, Dammam and Riyadh, increasing its leadership in data hosting. Each center contributes to center3's network growth by offering advanced services to its clients.

It also progressed preparations for the launch of the Saudi Vision Cable, which is set to revolutionize data communication services across Red Sea cities and existing landing stations. Additionally, center3's new internet exchange in Riyadh, RIYix, following JED-IX's success, marks another milestone in center3's digital hub expansion, promising faster and more reliable internet connectivity.

The company delivered an outstanding performance during its first full year of operations, highlighted by:

**99.13%**  
Overall services availability (up from 98.12% in 2022)

**36.27%**  
Increase in traffic (16.7 TB) over its subsea network

**100%**  
Uptime for all the submarine cable systems during Ramadan and Hajj network freeze periods

**97.96%**  
Compliance to customer service complaints/ incident response times

Additionally, center3 launched the Riyadh Internet Exchange, a major step forward in enhancing internet connectivity in the region. Another notable achievement was the successful landing of the 2Africa subsea cable in Jeddah and Yanbu, significantly boosting the company's connectivity infrastructure.

center3 also entered into an agreement with Huawei to deliver cutting-edge solutions, marking a pivotal development in its technological offerings. Complementing this, center3 signed a substantial deal with Oracle to host Oracle services in its data centers, extending its range of high-profile collaborations.

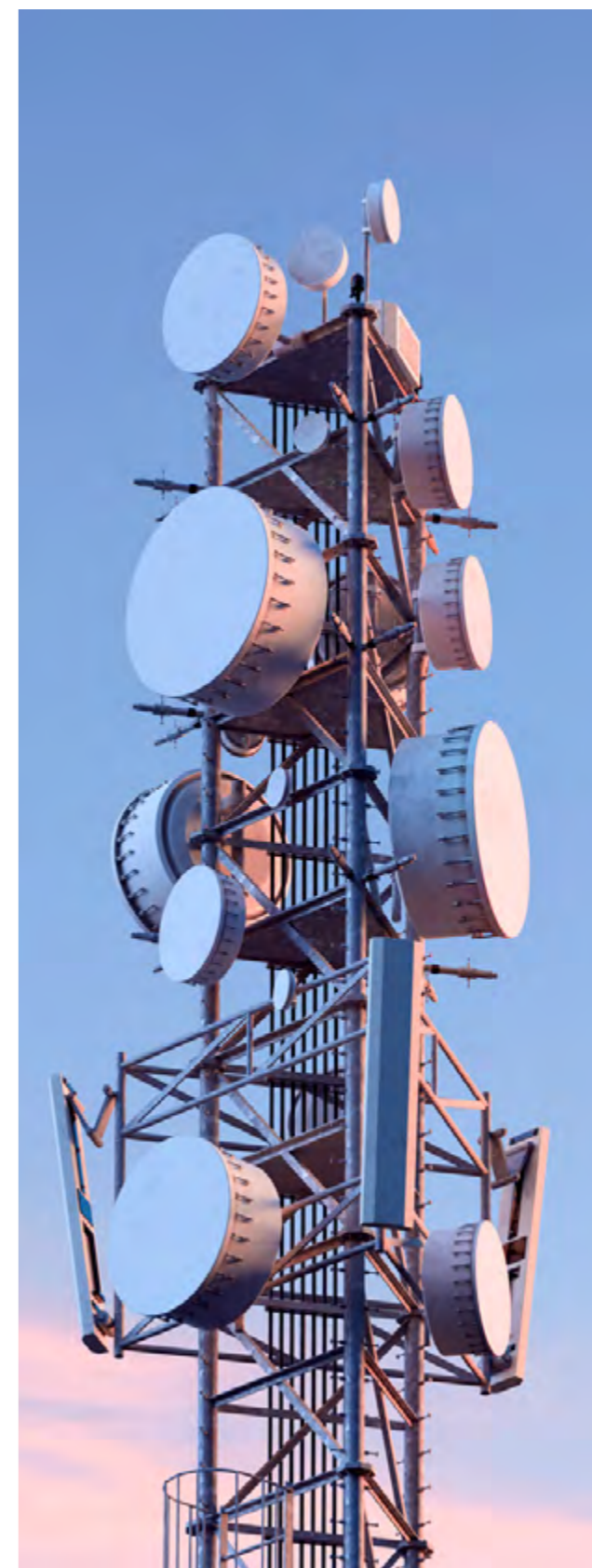
Moreover, center3 will bolster the localization of digital content and services in Saudi Arabia and MENA region through stc's investments in its data centers and subsea cable assets. The data centers currently possess a capacity of up to 125 MW, with plans to increase this to 300 MW as per the strategy developed by stc.

In recognition of these developments, center3 received an A credit rating with a stable outlook from Tassnief Agency. This rating reflects the company's strong position in the connectivity and data center business, supported by its robust corporate governance framework and a favorable operating environment. These milestones collectively underscore center3's growing prominence in the industry.

**Awards and recognitions**



Awarded by  
**Global Carrier Awards  
in London**



Subsidiaries and Investments continued

## Advanced Technology and Cybersecurity Company (sirar)

### sirar's strategy

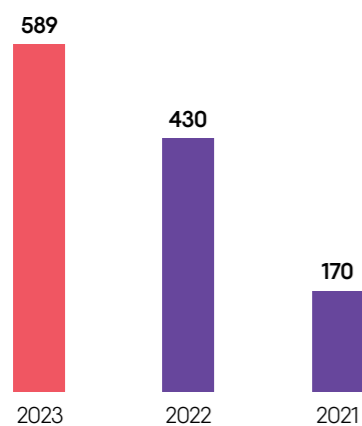
With the vision of becoming a leading enabler in cybersecurity for the digital economy, sirar's mission is to develop cyber solutions and capabilities that adhere to the highest global standards. This mission supports its clients, both in the Kingdom and internationally, in safely navigating their digital transformation journeys.

sirar's approach is aligned with the increasing demands of the Saudi cybersecurity market and the evolving global cyber threat landscape. The company is committed to upholding the highest standards of cybersecurity, protecting sensitive data, and contributing to a secure and sustainable digital environment in the Kingdom.

sirar's STORM strategic approach, which stands for Shape, Transform, Occupy, Retain and Model, is a comprehensive plan aimed at solidifying its position in the cybersecurity market. This strategy is centered on expanding sirar's range of products and services to assert leadership in the cyber market.

A crucial part of this plan is the development of a vast partner system, which is expected to facilitate sirar's growth beyond the Kingdom's borders, establishing it as a regional cybersecurity provider. Integral to this strategy is the focus on delivering an enriching and distinctive customer experience, a factor that sirar believes will be key to its success in the competitive cybersecurity landscape.

### sirar Revenue (SAR million)



### About sirar

Established in November 2020, the Advanced Technology and Cybersecurity Company (sirar) is a wholly owned subsidiary of stc with a share capital of SAR 250 million.

Based in the Kingdom, sirar operates as a leading cybersecurity service provider, focusing on empowering organizations to manage their cyber capabilities and secure their digital environments.

As experts in business security and privacy, sirar offers a broad array of cybersecurity solutions to both public and private sector organizations. These solutions are designed to help organizations operate safely and efficiently online.

The company's tools are specifically tailored to detect, monitor and prevent cyberattacks, providing robust protection and security.

### 2023 Achievements

In 2023, sirar continued its robust trajectory, significantly contributing to the success of its business unit and stc. The year was marked by several strategic moves and initiatives, positioning sirar as a leader in cybersecurity solutions.

One of the key highlights of the year was the launch of new products and services, showcasing sirar's commitment to innovation and customer-centric solutions. These included a security enhancement and employee development product, designed to educate organizational members about protecting themselves and their organization's assets from potential loss or harm. Another notable product was Athar, a watermark solution for device protection, preventing unauthorized screen capture. This product was launched in a soft-launch phase. Additionally, the upskilling cyber capabilities (UCC) product was introduced to facilitate cyber upskilling across the organization for various levels of experience, in a soft-launch phase.

sirar also launched the managed detection and response (MDR) service, which elevates security operations center as a service (SOCaaS) with managed end-point detection and response (EDR), in a soft-launch phase. The digital risk protection (DRP) service, an AI-powered

brand protection online solution, and the attack surface management (ASM) solution – for continuous assessments and monitoring to identify technological flaws, leaked information and outdated legacy systems – were part of the soft-launch phase. Moreover, sirar expanded its service offerings to include a configuration review service, API penetration testing service and source code review service.

In addition to product launches, sirar's security operations center (SOC) achieved the Managed Security Services Provider certification from CREST, an international organization recognized for cyber excellence. sirar obtained 4 certifications from the International Organization for Standardization (ISO) in various fields, underlining its dedication to managing services according to the highest international standards.

Furthermore, sirar established a significant memorandum of understanding with Cognizant and stc, marking the launch of the first data privacy center of excellence. The company formed multiple agreements and key partnerships, including collaborations with Red

Sea Global, Diriyah Company, and Saudi Arabia Railways (SAR), thereby strengthening its position in the market through these collaborative ventures.

In terms of customer experience, sirar implemented the voice of customer (VOC) framework initiative. This initiative focused on adopting proper sampling techniques and measurement scales to create performance indicators that accurately measure customer experience, including those related to internal operational processes. Additionally, the launch of the customer journey mapping tool initiative marked a significant step in enhancing customer experience. This tool provides a powerful means to create visual representations of customers' journeys, offering a holistic overview of their emotions, behaviors and interactions throughout the process of requesting a product or service. By leveraging this tool, sirar aimed to refine and optimize the customer experience, ensuring a more intuitive and customer-centric journey.

These initiatives and achievements in 2023 highlight sirar's dedication to innovation, customer satisfaction and market leadership in the cybersecurity domain.

### Awards and recognitions



**Subsidiaries and Investments** continued

## Internet of Things Information Technology Company (IoT squared)

### IoT squared's strategy

IoT squared's BOLD strategy contributes to enabling the company's ambition towards regional growth, creating added value and strengthening its position in the region as an integrated provider of all IoT services.

BOLD's strategy is based on the following 4 strategic pillars:

- **Being customer and employee centric.**
- **Offering differentiated products and services.**
- **Leapfrogging to world-class capabilities.**
- **Developing an agile culture.**

### 2023 Achievements

In 2023, IoT squared embarked on a significant expansion, aligning itself as a key contributor to stc's digital offerings. The year was marked by the launch of several unique products and platforms, effectively positioning IoT squared as an innovative force in the IoT sector, especially in logistics, industrial and smart city sectors. Notably, the company launched 3 distinct products – Intelligent Operations, Connected Fleet and Video Surveillance – each designed to meet specific market needs and optimize various aspects of operations for clients.

The company's growth was further accelerated by the strategic recruitment of over 110 top professionals in the IoT industry, highlighting its commitment to talent and expertise. IoT squared also initiated over 10 key projects with strategic clients, demonstrating its ability to foster and maintain significant business relationships. Its partnership network saw a substantial increase, collaborating with more than 120 local and global partners, which brought in best market practices and expertise.

Additionally, IoT squared developed a strategic partnership with General Cloud Computing Company for Information Technology (SCCC), focusing on local data sovereignty and security. This partnership involves deploying IoT squared's platform on SCCC's local cloud infrastructure, ensuring a robust and secure digital environment.

The company's expansion journey included the acquisition of Machinestalk, a strategic move that augmented its capabilities and market presence. The company's effective conversion of key customer relationships into profitable partnerships was evident in the success of its pilot and demo projects. Furthermore, IoT squared's presence in both local and international markets was reinforced through its participation in key industry events such as LEAP, Cityscape, MWC, GIITS and Digital Saudi.

Recognition of IoT squared's workplace environment and practices was also a highlight, with certifications from Great Place to Work in the MENA region and Saudi Arabia. The company achieved a class 2 vendor classification, enabling it to participate directly in large government tenders, and received local content certification from the Local Content and Government Procurement Authority. Additionally, it was certified in Quality Management System ISO 9001 and Information Security Management System ISO 27001, underscoring its commitment to quality and security standards.

### About IoT squared

Internet of Things Information Technology Company (IoT squared) was established in May 2022 as a limited liability company by signing a partnership agreement between stc and the Public Investment Fund (PIF), with each party holding a 50% share and a share capital of SAR 900 million.

IoT squared is positioned to become a leading provider of IoT solutions in the MENA region. Its focus is on crafting tailored solutions, offering real-time insight and developing innovative business models.

The company targets key business sectors such as industrial, logistics and smart cities, providing them with a range of customized smart solutions designed to drive digital transformation and contribute to economic progress.

With its headquarters and operational activities based in the Kingdom, IoT squared is strategically located to tap into the increasing market.

## General Cloud Computing Company for Information Technology (SCCC)

### SCCC's strategy

- **Help customers enjoy the leading global cloud technology and services.**
- **Become the de facto cloud services platform in MENA.**
- **Provide specialized vertical industrial solutions.**
- **Build a robust sustainable ecosystem.**

### 2023 Achievements

In 2023, SCCC secured numerous of projects throughout the year, laying a solid foundation for the company's operational longevity and a clear pathway to profitability. These projects are expected to sustain the company's growth and financial health in the years to come.

Another notable accomplishment for SCCC in 2023 was its significant progress in product launches. The company successfully introduced over 66 products to the market since its establishment. This milestone highlights SCCC's commitment to innovation and reflects its dedication to meeting the evolving needs of its customers. The diverse range of products launched by SCCC indicates its ability to keep pace with the rapidly changing technological landscape and its commitment to remaining at the forefront of the industry.

### About SCCC

The General Cloud Computing Company for Information Technology (SCCC) was established in May 2022 specializing in cloud computing services with with a share capital of SAR 894 million.

SCCC represents a collaborative venture between eWTP Arabia Technology Innovation Limited Company (eWTPA), Alibaba (Singapore) Private Limited (Alibaba Cloud), the Saudi Company for Artificial Intelligence (SCAI), and the Saudi Information Technology Company (SITE). stc holds a 55% majority stake in SCCC.

SCCC is the first major hyperscaler in both the Kingdom and the broader region. It offers an extensive array of cloud computing services that cater to a variety of needs. These services include servers, databases, storage, networks and applications, all available on demand.

SCCC's main operational center is strategically located within the Kingdom, from where it conducts its operational activities, positioning itself as a key player in the region's burgeoning cloud computing landscape.



Subsidiaries and Investments continued

## Public Telecommunications Company (Specialized)

### Specialized's strategy

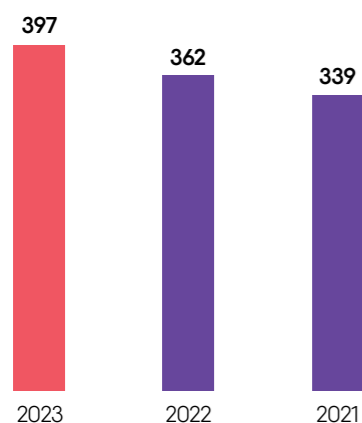
Specialized's vision is to be the trusted partner of critical communications, services and innovative solutions. Its strategy is to focus on the following 4 dimensions:

- **Broad critical communications offering.**
- **Emerging technologies.**
- **Integrated critical communications services.**
- **Secured services and solutions.**

Specialized has embraced GROW's strategy by adopting strategic goals that support the growth of the company and achieving the goals of stc.

The company is actively aligned with the goals of the Kingdom's Vision 2030, aiming to contribute significantly through the provision of advanced, differentiated and specialized services. Specialized has a particular focus on key sectors such as health, transportation, education, security and defense, positioning itself as an essential player in driving technological advancements and supporting various critical industry segments in the Kingdom.

### Specialized Revenue (SAR million)



### About Specialized

Public Telecommunications Company (Specialized) was established in February 2002 with the purpose of operating in the electrical business and communication networks, wholesale and retail trade in fixed telecommunications equipment, electrical appliances, import, marketing, installation and maintenance of fixed and mobile telecommunications and information technology licensed devices with share capital of SAR 252 million fully acquired by stc in 2014.

Specialized is headquartered in the Kingdom and delivers its differentiated technological solutions and services across the Kingdom of Saudi Arabia.

Catering to the needs of all types of businesses, especially those requiring critical and mission-critical communications within Saudi Arabia, Specialized provides wholesale and retail trade in fixed telecommunications equipment and electrical appliances, as well as the import, marketing, installation and maintenance of both fixed and mobile telecommunications and information technology licensed devices.



### 2023 Achievements

In 2023, Specialized made significant strides in its transformation journey that began in 2019. The focus on optimal resource utilization and a shift in the business model to leverage integration with stc resulted in an improvement in profitability and stable revenue growth over the past 3 years. This transformation represents a strategic shift in the company's operations and approach to the market.

A key part of Specialized's success in 2023 was the signing of strategic partnerships, which included agreements with Airbus and Motorola. These partnerships are indicative of Specialized's commitment to expanding its capabilities and enhancing its service offerings.

On the operational and business front, Specialized made considerable improvements. The company updated policies and procedures to align with the Group's new operating model, and signed a revenue sharing agreement with Business for All PTT services. In addition, Specialized focused on improving its business platforms, notably the development of the PTT services platform (Kodiak from Motorola Global).

The company also made significant progress in integration and preparation, including the transfer and opening of a hardware maintenance center in Riyadh city, conforming to international supplier specifications. The Hajj season was another area of success, with high revenues from PTT products and services and the provision of unique and dedicated services for pilgrims.

Moreover, Specialized launched 2 new service-related offerings: Dispatcher and Control. Dispatcher is an advanced browser that enables organizations to manage daily transmissions effectively, allowing senders to operate from central facilities centers. The control service offers a range of features, including PTT user management, call and conversation management, and the ability to manage users outside the organization while providing multimedia services.

In addition to these services, Specialized launched EMP, a digital platform designed to streamline daily operations and incident management. This platform enhances efficiency in planning and response, offering greater visibility into operations through an integrated control panel. These innovations by Specialized are geared towards facilitating and improving enterprise transmission and communication management, thus contributing to overall organizational efficiency and effectiveness.

### Awards and recognitions



Awarded by  
**Global Business Outlook**



Awarded by  
**Global Business Outlook**



Awarded by  
**Hytera**



Awarded by  
**International Finance Award**



Awarded by  
**International Finance Award**



Subsidiaries and Investments continued

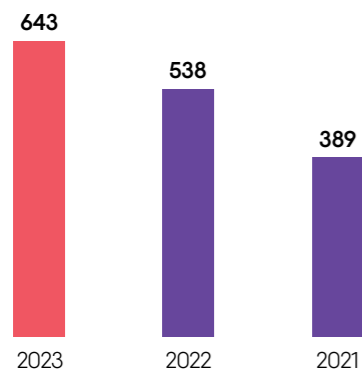
## Gulf Digital Media Model Company Ltd (Intigral)

### Intigral's strategy

Intigral's strategic vision is to become MENA's largest media aggregator, distributor and entertainment hub by bringing content from regional and global third-party content providers onto the one platform via:

- Providing a single sign-on, single-bill platform.
- Leveraging cross-platform analytics and a recommendation engine to deliver a state-of-the-art viewing experience.

### Intigral Revenue (SAR million)



### About Intigral

Gulf Digital Media Model (Intigral) is stc's digital media and entertainment aggregation arm, headquartered in Saudi Arabia.

Established in March 2002 with a share capital of SAR 811 million, it provides over-the-top broadcasting and media services, and manages the stc tv and Jawwy TV brands.

stc tv is available across stc's operating footprint in Saudi Arabia, Bahrain and Kuwait, while Jawwy TV is available across all other MENA markets.

### 2023 Achievements

In 2023, Intigral achieved unprecedented growth in terms of its active base, expanding 2.3-fold through a best-in-class platform and user experience, a solid and diverse content portfolio, and a repowered go-to-market push through bundling with telco operators. This landmark success was the result of successfully leveraging stc's go-to-market engine to boost the growth of adjacent digital services.

Intigral delivered a number of impressive achievements during the year, including:

**+124%**

Total registered subscribers

**+45%**

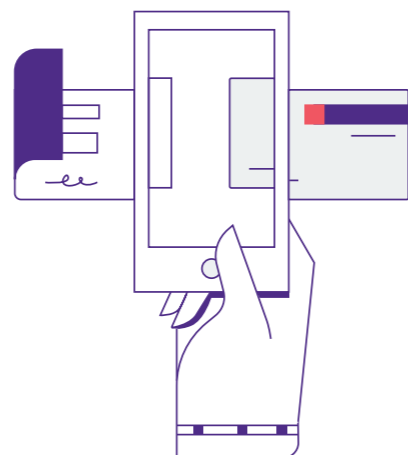
International subscriber base

**+135%**

Viewership

**37**

Record Net Promoter Score (NPS)



Moreover, Intigral has built a solid foundation across its value chain to position itself as the largest media aggregator, namely:

**16**

MENA markets penetrated

**+50**

Partnerships with content providers and aggregators.

**29K**

On-demand content assets

**19**

Regional telecom distribution partnerships

### Awards and recognitions



Most Trusted OTT Platform in Saudi Arabia for stc tv

Awarded by  
**Intlbm**



Leading Digital Entertainment Solutions Brand, MENA for Intigral

Awarded by  
**Intlbm**



Fastest Growing Digital Entertainment Solutions Brand, MENA for Intigral

Awarded by  
**Global Brand Magazine**



MENA's Leading OTT Platform for Jawwy TV

Awarded by  
**Global Brand Magazine**

**Subsidiaries and Investments** continued**Aqalat Limited Company (Aqalat)****Aqalat's strategy**

Aqalat's strategic approach focuses on enhancing the returns of stc. This is achieved through the development of real estate projects utilizing stc's assets, alongside the leasing and sale of non-essential real estate assets. A key part of this strategy involves converting the land use of these properties from service facilities to mixed-use investment lands.

**About Aqalat**

Aqalat Limited Company (Aqalat) was founded in March 2013.

Aqalat is a wholly owned subsidiary of stc, with a share capital of SAR 70 million.

Its primary objective is owning, investing, managing of real estate and contracting, and providing consulting services, and importing and exporting services to the benefit of stc, aiming to maximize shareholder returns in alignment with stc's strategic goals.

Aqalat is headquartered and operates within the Kingdom.

**2023 Achievements**

In 2023, Aqalat achieved considerable success in accelerating investments to optimize returns from its real estate assets. It made significant progress on the stc Square project in Riyadh, reaching 60% completion in phase I of the project, with construction slated for completion in 2024.

Aqalat established a joint venture with DUR, forming the Smart Zone Hospitality Company, to construct a technologically advanced hotel within the stc Square project. The company also launched the detailed design stage for phase II of the stc Square project.

At Cityscape, Aqalat showcased its strengths by establishing 4 major partnerships with iot squad, stc, Al Fanar and Al Mohandis Holding Group. It achieved recognition from the Ministry of Municipal and Rural Affairs and Housing, meeting the standards for a comprehensive license and qualifying as a real estate development company.

Another major accomplishment in 2023 was the successful investment of a land parcel in Al-Khobar. Aqalat sold this asset in a public auction for a value of SAR 1.378 billion, marking a significant milestone in its investment strategy.

In terms of workforce advancement, Aqalat made significant progress in localization, exceeding 94%. The company demonstrated a strong commitment to women's empowerment, with women constituting over 32% of the workforce and 20% in leadership roles.

**Telecom Commercial Investment Company Limited (TCIC)**

Telecom Commercial Investment Company Limited (TCIC) was established in October 2007 with the purpose of operating and maintaining telecommunication networks, organizing computer systems' networks and internet networks, maintenance, operation and installation of telecommunication and information technology systems and programs in the Saudi market with share capital of SR 1 million as at 31 December 2023, wholly owned by stc. Its head office is located in the Kingdom and it fulfills its operational activity in the Kingdom.

**Smart Zone Real Estate Company**

Smart Zone Real Estate, a limited liability company, was established in September 2019 and its main activity is the development, financing and management of real estate projects, the establishment of facilities, complexes, commercial, office and residential buildings with share capital of SR 417 million as at 31 December 2023. Headquartered in Saudi Arabia, it carries out its operations in the Kingdom.

**Sendouk Al-Abatakar for Investment Company**

Sendouk Al-Abatakar for Investment Company, a limited liability company, was established in August 2021 with the purpose of providing administrative services and IT and telecommunication support and with share capital of SAR 187.5 million as at 31 December 2023. Its head office is located in the Kingdom and it fulfills its operational activity in the Kingdom.

**Digital Infrastructure Company**

Digital Infrastructure Company, was established during the fourth quarter of the year 2023 in Kingdom of Saudi Arabia. It is a simplified closed joint stock company, established to provide services and necessary support for the Group's investing activities. Its head office is located in the Kingdom and it fulfills its operational activity in the Kingdom.



Subsidiaries and Investments continued

## International subsidiaries

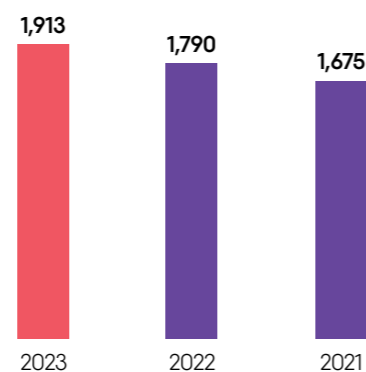
### stc Bahrain Company (stc Bahrain) – Kingdom of Bahrain

#### stc Bahrain's strategy

stc Bahrain's **LEAD** strategy is aimed at expanding its digital offerings and new services, based on 4 key pillars:

- Leadership in core markets, emphasizing its dominant position in its primary business areas.
- Experience as a key factor of differentiation, focusing on delivering a unique and superior customer experience.
- Acceleration in specific approach areas, targeting rapid growth and innovation in chosen segments.
- Distinctive and sustainable performance, ensuring long term success through unique and enduring operational excellence.

stc Bahrain Revenue (SAR million)



#### About stc Bahrain

stc Bahrain Company was founded in February 2009 with the purpose of providing all mobile telecommunication services, international telecommunications, broadband and other related services in the Bahraini market, the company is wholly owned subsidiary of stc with a share capital of BD 75 million.

Since entering Bahrain's telecom market, stc Bahrain has become the market leader. stc Bahrain has been at the forefront of innovation by launching the latest high-tech devices first, along with having introduced a comprehensive wholesale and enterprise portfolio with national and international services.

Both its head office and operational activities are based in the Kingdom of Bahrain.



#### 2023 Achievements

In 2023, stc Bahrain made notable progress across all its strategic pillars, delivering a range of achievements for enhanced value creation, innovation and sustainable growth.

stc Bahrain significantly escalated its 5G network, focusing on enhancing both coverage and capacity. This development was pivotal in maintaining stc Bahrain's leadership in the postpaid mobile voice and wireless broadband segments. The company's commitment to delivering a superior network experience was recognized in the TRA Mobile Quality of Service Audit Report, where stc Bahrain ranked highest in most indicators, particularly excelling in 5G network coverage and speed. Additionally, stc Bahrain became a pioneer in the MENA region by achieving 10Gbps speeds during live 5G-advanced trials in 2023.

Regarding digital channels, stc Bahrain boasts one of Bahrain's most extensive and diverse sales and payment networks. This includes a comprehensive retail network, a user-friendly web portal, and a distribution channel with over 3,700 outlets nationwide. The company's focus on digital transformation has led to significant growth and usage of the mystc app. This app offers connectivity-related transactions as well as exclusive lifestyle and entertainment benefits to customers.

In adjacent services, 2023 saw the Saudi Digital Payments Company (stc Bank) and InsureTech scaling up, marked by increased usage and value delivery to customers. stc Bank was relaunched in March, attracting over 100,000 customers in the first 10 months. The bank's positive trajectory is expected to continue with the introduction of new features addressing customer digital payment needs. Similarly, stc Bahrain's device insurance proposition gained popularity among customers seeking to protect their smartphones.

stc Bahrain has significantly enhanced its market presence through the introduction of adjacent digital services. A key development in this area was the establishment of stc pay Bahrain, a wholly owned subsidiary designed to offer digital wallet services in the Bahrain market.

Furthermore, customer experience remained a focal point for stc Bahrain. The company concentrated on enhancing digital touchpoints and streamlining customer journeys, actively investing in new infrastructure to support this digital transformation. It also established a dedicated team responsible for addressing customer inquiries and complaints. This approach is in line with the company's goal of enhancing customer satisfaction and fostering a more responsive and efficient customer service environment. These efforts translated into a sustainable improvement in customer satisfaction scores in 2023, and the company plans to maintain this focus moving forward.

#### Awards and recognitions



Awarded by  
**Middle East Technology Excellence Awards**



Awarded by  
**MEA Business Technology Achievements Awards**



Awarded by  
**SAMENA LEAD Awards**

Subsidiaries and Investments continued

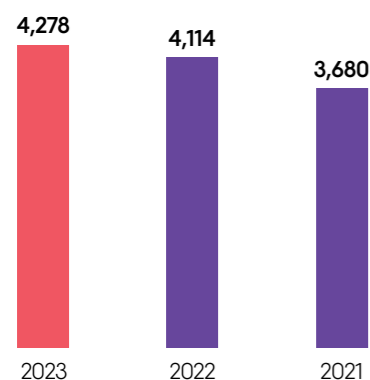
## Kuwait Telecommunication Company (stc Kuwait) – Kuwait

### stc Kuwait's strategy

stc Kuwait's LEAD strategy is aimed at steering the company towards market leadership in the Kuwaiti telecommunications and ICT sector. It is underpinned by an aspiration to lead the market through the introduction of innovative services, expansion in priority segments, and the implementation of an efficient and digital operating model. The LEAD strategy consists of 4 key strategic pillars:

- **Lead the core markets, focused on dominating the primary market segments where stc Kuwait operates.**
- **Increase ICT business, aiming to broaden its footprint in the ICT sector.**
- **Accelerate innovation by fostering a culture of innovation that drives the development of new and unique services and solutions.**
- **Deploy an efficient and digital operating model, which emphasizes the importance of operational efficiency and the adoption of a digital-first approach.**

### stc Kuwait Revenue (SAR million)



### About stc Kuwait

Kuwait Telecommunication Company (stc Kuwait) was established in July 2008 with the purpose of operating in the field of mobile services in the Kuwaiti market.

The company was publicly listed as a joint stock company on the Kuwait Stock Exchange in December 2014.

As at 31 December 2023, stc owns a 51.8% stake in stc Kuwait, with a share capital of KD 100 million.

stc Kuwait's head office is situated in Kuwait, from where it conducts all its operational activities.



### 2023 Achievements

stc Kuwait has achieved a high rate of annual progress across key operating measures since the beginning of 2023:

**63.4%**  
Kuwaitization rate

**107**  
Number of branches

**2.3 million**  
Total subscribers

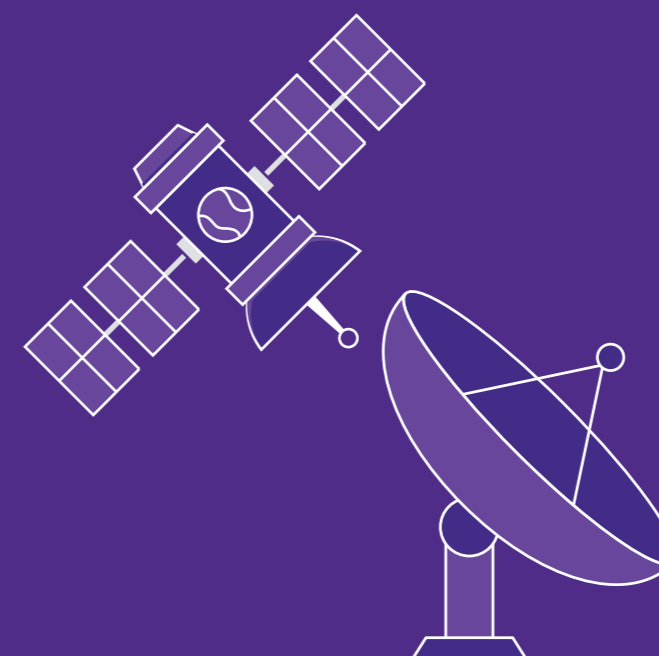
**37%**  
Market share of revenue

In 2023, stc Kuwait sustained its growth and innovation, achieving noteworthy progress in digital transformation and operational expansion. The company recorded strong financial and operational results, significantly enhancing its digital solutions and infrastructure, underscoring its commitment to excellence and innovation in the telecom and ICT sectors.

stc Kuwait's focus on digital transformation and operational optimization – coupled with investments in future technologies – has established it as a leading force in the telecom industry. This year, the company successfully navigated multiple milestones in its digital transformation journey, enhancing customer experiences and streamlining operational efficiency. stc Kuwait's advanced network infrastructure has enabled it to offer a wide range of services, meeting the diverse needs of individual and enterprise customers and reinforcing its position as a pioneer in telecom solutions.

Internally, stc Kuwait has made considerable advances in enhancing its capabilities and integrated systems, aligning with its corporate strategy. The digitization of internal processes has optimized operations, leading to more efficient workflows and improved overall efficiency, supporting the company's business and service delivery standards.

Electronic Portal Holding Company (e-Portal), stc Kuwait's specialized ICT arm, has played a crucial role in providing comprehensive ICT solutions to the enterprise sector. In 2023, stc Kuwait intensified its focus on expanding its ICT solutions, introducing new concepts and a wider range of solutions through e-Portal. The company's investment in emerging technologies such as 5G services, IoT, cloud services and artificial intelligence reflects its dedication to staying at the forefront of technology and shaping the future of ICT services in Kuwait.



**Subsidiaries and Investments** continued**stc Asia Holding Ltd (stc Asia) – British Virgin Islands**

stc Asia Holding Ltd (stc Asia) is a limited liability company established under the Commercial Companies Law in the British Virgin Islands in July 2007 and is a special purpose company. It owns a subsidiary (a wholly owned subsidiary) stc Malaysia Holdings Ltd (stc Malaysia), which was incorporated under the Commercial Companies Law in the British Virgin Islands.

stc Malaysia Holding Ltd in turn holds stc's 25% stake in Binariang GSM Sdn Bhd (BGSM) that invests in companies operating primarily in Malaysia (→ for more details, see note 8-2 in the consolidated annual financial statements). The principal activity of both stc Asia and its subsidiary is to provide services and support required in respect of investment activities of stc.

**stc Turkey Holding Ltd (stc Turkey) – British Virgin Islands**

stc Turkey is a limited liability company, was established under the Commercial Companies Law in the British Virgin Islands in April 2008. It is a special purpose vehicle established to provide services and support required in respect of investment activities of stc.

In April 2008, stc Turkey acquired 35% of Oger Telecom Limited's (OTL). During the year 2023, OTL liquidation has been completed with most of its assets and liabilities disposed of (→ for more details, see note 8-1 in the consolidated annual financial statements).

**stc Gulf Investment Holding (stc Gulf) – Kingdom of Bahrain**

stc Gulf was incorporated in March 2008, which is a special purpose vehicle in the Kingdom of Bahrain, The primary objective of this company is to provide services and support required in respect of investment activities of stc.

**stc GCC Cable Systems W.L.L. (stc GCC) – Kingdom of Bahrain**

stc GCC Cable Systems W.L.L., a limited liability company, was established in April 2021 with the purpose of the sale and installation of telecommunications equipment and the construction of utilities projects. stc GCC Cable Systems W.L.L. is wholly owned by stc as part of the agreement to invest in a fund aimed to drive innovation in the communications and information technology sector in the Kingdom of Bahrain and other GCC countries with share capital of BD 32 million as at 31 December 2023.

**Green Bridge Investment Company (GBI) – Luxembourg**

Green Bridge Investment Company, was established during the third quarter of the year 2023 in Luxembourg. It is a special purpose vehicle established to provide services and necessary support for stc's investing activities.

**Green Bridge Management Company (GBM) – Luxembourg**

Green Bridge Management Company, was established during the third quarter of the year 2023 in Luxembourg. It is a special purpose vehicle established to provide services and necessary support for stc's investing activities.

**No debt instruments in the form of Sukuk or bonds were issued for stc's subsidiaries.**



## Subsidiaries and Investments continued

## Investments

## Investments in Associate

Name of Associate Companies	Country of Incorporation	31 December 2023	31 December 2022
Arab Satellite Communications Organization (Arabsat)	KSA	36.66%	36.66%
Virgin Mobile Saudi Consortium (VMSC)	KSA	10%	10%
Oger Telecom Limited (OTL)	UAE	Liquidated	35%
Virgin Mobile Kuwait (VMK)	Kuwait	10%	10%
Giza Systems Company for Electromechanical Contracting	Egypt	50.01%	50.01%
Edu Apps Company	Egypt	40%	40%

**Arab Satellite Communications Organization (Arabsat) – Kingdom of Saudi Arabia**

Arab Satellite Communications Organization (Arabsat) was established in April 1976 by the members of the League of Arab States, and its head office is located in the Kingdom. Arabsat offers a number of services to these member states, as well as to all public and private sectors within its coverage area, and principally in the Middle East.

Current services offered include regional telephony (voice, data, fax and telex), television broadcasting, regional radio broadcasting, restoration services and leasing of capacity.

In April 1999, stc acquired 36.66% of Arabsat's USD 500 million share capital.

**Virgin Mobile Saudi Consortium (VMSC) – Kingdom of Saudi Arabia**

Virgin Mobile Saudi Consortium (VMSC) was established in 2013 as a mobile virtual network operator and started its operations during the year of 2014. stc owns 10% of VMSC's share capital. stc has the ability to exercise significant influence is evidenced by the reliance of VMSC's on the stc's technical network. Its head office is located in the Kingdom and it fulfills its operational activity in the Kingdom.

**Oger Telecom Limited (OTL) – United Arab Emirates**

Oger Telecom Limited (OTL) is a holding company registered in Dubai, the United Arab Emirates. In April 2008, through one of its subsidiaries (stc Turkey Holding Ltd) stc acquired 35% of OTL's share capital. During the year 2023, OTL liquidation has been completed.

**Virgin Mobile Kuwait (VMK) – Kuwait**

Virgin Mobile Kuwait (VMK) is indirectly owned through stc Kuwait with 10% ownership. stc's ability to exercise significant influence is evidenced by the reliance of Virgin Mobiles Kuwait on stc Kuwait's technical network.

**Giza Systems Company for Electromechanical Contracting – Egypt**

Giza Systems Company for Electromechanical Contracting was established in 2011 to execute operation works, engineering consultancy, evaluations of systems, electronic devices and computers. The company is indirectly owned through solutions with 50.01% ownership. solutions accounts for this investment as an associate as it has significant influence without having control and rights that enable solutions to direct decisions and relevant activities of this company.

**Edu Apps Company – Egypt**

Edu Apps Company is indirectly owned through solutions with 40% ownership. Edu Apps, a private limited company, was established in 2016 to execute software designing and development services.

## Investments in Joint Ventures

Name of Joint Ventures	Country of Incorporation	Shareholding Percentage	
		31 December 2023	31 December 2022
Arab Submarine Cables Company Limited	KSA	50%	50%
Contact Center Company (CCC)	KSA	-	49%
Binariang GSM Holding (BGSM)	Malaysia	25%	25%
Integrated Data Company for Information and Technology	KSA	39%	-

**Arab Submarine Cables Company Limited – Kingdom of Saudi Arabia**

Arab Submarine Cables Company Limited was established in September 2002 for the purpose of constructing, leasing, managing and operating a submarine cable connecting the Kingdom and the Republic of Sudan for telecommunications between them and any other country. The operations of the company started in June 2003 and stc acquired 50% of its SAR 75 million share capital in September 2002. In November 2016, the company's capital was reduced to SAR 25 million. Its head office is located in the Kingdom where it fulfills its operational activity.

**Contact Center Company (CCC) – Kingdom of Saudi Arabia**

Contact Centers Company (CCC) was established to provide call centers services and answer directory queries with Aegis Company at the end of December 2010 in the Kingdom, with a share capital of SAR 4.5 million. stc acquired 50% of its share capital. During the fourth quarter of 2015, stc sold 1% of its stake in CCC to the other partners according to the terms of the partners' agreement, thus making stc's share 49%. Its head office is located in the Kingdom where it fulfills its operational activity.

On 3 April 2023, solutions completed the acquisition of CCC by acquiring all shares of stc (49%) and ESM Holding Company (51%) for a full cash consideration for the entire acquisition amounting to SAR 513.7 million. CCC is engaged in providing services related to the submission of proposals and technical solutions in the field of telecommunications and IT support and maintenance, systems development, support, and communications programs and information technology.

The acquisition was considered, at the Group level, as a step acquisition with change in control in accordance with IFRS 3 Business Combinations and the Group started consolidating CCC from the acquisition

completion date (→ for more details, see note 7 in the consolidated annual financial statements). A gain was recognized from remeasuring the previously held equity interest in CCC amounting to SAR 133 million within net other gains item in the consolidated statement of profit or loss.

**Binariang GSM Holding (BGSM) – Malaysia**

Binariang GSM Holding (BGSM) is an investment holding group headquartered in Malaysia where it owns 62% of Maxis Malaysian Holding Group (Maxis), a major telecom operator in Malaysia. During the year 2007, stc acquired (through its subsidiaries stc Asia holding and stc Malaysia holding) 25% of BGSM's MYR 20.7 billion share capital, which is equivalent to approximately SAR 23 billion at the exchange rate as at that date.

During 2013, stc conducted a review of its foreign investment in BGSM, including the manner in which this investment was being managed and how joint control had been effectively exercised. As a result, stc signed an amendment to the shareholders' agreement with other shareholders of BGSM with respect to certain operational matters of Aircel (one of Binariang group subsidiaries at that time). Consequently, stc ceased to account for its investment in Aircel using the equity method effective from the second quarter of 2013.

**Integrated Data Company for Information and Technology – Kingdom of Saudi Arabia**

During the second quarter of 2023, Integrated Data Company for Information and Technology was established in the Kingdom of Saudi Arabia as a joint venture among stc (39%), Etihad Etisalat Company (30%) and Mobile Telecommunication Saudi Company (31%) with share capital of SAR 22 million. This entity provides various services including demographic analyses, population statistics, data on population size, as well as traffic and transportation statistics, public road routes, and parking information.

**Subsidiaries and Investments** continued

**Other Investments**

**Investment in Telefónica**

During 2023, stc invested in Telefónica by acquiring a 9.9% interest in the company for a total consideration of EUR 2.1 billion (which is equivalent to SAR 8.5 billion), making stc Telefónica’s largest shareholder. Telefónica is one of the largest telecommunications companies in the world with significant presence in Spain, Germany, the UK and Brazil.

This acquisition represents another milestone in stc’s expansion and growth strategy, and reflects stc’s confidence in Telefónica’s sustainable growth and upside potential. Telefónica benefits from a unique portfolio of best-in-class infrastructure assets and cutting-edge technology platforms, where it is developing state-of-

the-art capabilities in adjacent areas such as cognitive intelligence, edge computing and IoT.

During the third quarter of the year 2023, stc completed the purchase of 4.9% direct shareholding in Telefonica. Telefonica is a leading European telecommunications operator through its significant presence in 3 of the largest European markets, namely Spain, Germany and the UK, in addition to Brazil which is the largest market in Latin America. These investments are irrevocably designated at fair value through OCI. stc has received dividends during the fourth quarter of 2023 amounting to SAR 173 million, which is included as other income in the consolidated statement of profit or loss. → For more details, see notes 16.1 – 32.1 in the consolidated annual financial statements.

**Investments in the Sukuk issued by the Ministry of Finance**

stc invested in the Sukuk issued by the Ministry of Finance during Q1 2019 as follows:

Name of Joint Ventures	First Tranche (SAR'000)	Second Tranche (SAR'000)
Nominal investment value	1,762,000	2,140,000
Investment duration	5 years	10 years
Yield	3.17%	3.90%

**Investment in the Sukuk Issued by Binariang GSM Holding (BGSM)**

During the year 2007, stc Asia Holding Company Limited (a subsidiary) invested in Sukuk issued by Binariang GSM Sdn Bhd (BGSM) in the amount of RM 1,508 million (which is equivalent to SAR 1,383 million) for a period of 50 years (callable after 10 years) with an annual profit margin of 6 months KLIBOR +8.51%. These sukuk are not past due or low in value with a book value of SAR 1,230 million as at 31 December 2023.

**stc invests in various venture funds**

stc invests in various venture funds, which are investing in emerging, small and medium-sized companies operating in the field of communications and information technology in the Kingdom and other global markets.

During 2022, the Company signed an agreement with STV LP Fund and allocated an additional SAR 1,125 million (equivalent to USD 300 million) investment in the fund, out of which SAR 221 million (equivalent to USD 59 million) was injected.

The fair value of the Group’s investment in the units of stc Ventures Fund and STV LP Fund (the “Funds”) is obtained from the net asset value (NAV) reports received from the Funds’ managers. The Funds’ managers deploy various techniques (such as recent round of finance, discounted cash flow models and multiples method) for the valuation of underlying financial instruments classified under level 3 of the respective Fund’s fair value hierarchy. Significant unobservable inputs embedded in the models used by the Funds’ managers include risk-adjusted discount rates and lack of marketability discount. An increase/(decrease) of 10% in the discount rate would lead to a (decrease)/increase of (SAR 41 million)/SAR 45 million in fair value (2022: an increase/(decrease) of 10% in the discount rate would lead to a (decrease)/increase of (SAR 152 million)/SAR 255 million in fair value). An increase/(decrease) of 10% in the lack of marketability discount would lead to a (decrease)/increase of (SAR 61 million)/ SAR 41 million in fair value (2022: An increase/(decrease) of 10% in the the lack of marketability discount would lead to a (decrease)/increase of (SAR 56 million)/ SAR 28 million in fair value). → for more details, see note 43.2 in the consolidated annual financial statements.

