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Chairman's Statement



solutions by stc has once again set new standards of innovation and digital transformation in 2024. We delivered more advanced technology to a greater number of clients than ever before, accelerating their growth and differentiation, and helping us to fulfill our purpose of empowering the Kingdom of Saudi Arabia's digital future. Aligned with Saudi Vision 2030, we remain dedicated to driving digital transformation and creating impactful solutions that enhance societal progress and economic growth. Since our founding in 2003, our ability to develop and implement disruptive innovation at scale has placed us at the forefront of technology and, as we continue to broaden our horizons, we have entered a new phase of growth and a new era of business.

Riyadh Muawad
Chairman of the Board

**Empowering the digital future:
Leading transformation with
sustainability and innovation**

#1

IT provider in the Kingdom

As organizations across our market and worldwide seek competitive advantage through advanced networks, connectivity, and integration, solutions by stc continues to raise the bar to provide the technology for them to achieve and exceed their goals. In addition, the transformative partnerships we entered into last year with some of the most innovative and influential global pioneers have equipped us with the tools and expertise to redesign the Kingdom of Saudi Arabia's digital outlook.

Our products and services have never been in greater demand and our levels of service, a vital component of our success, remain unrivaled. With a particular focus on artificial intelligence and machine learning, we have capitalized on our outstanding new capabilities and acquired several high-profile clients. This year, we successfully implemented AI-driven solutions in sectors like healthcare and education, significantly enhancing efficiency and user experiences. In addition, we are now working with the government on several mass-scale projects as part of the drive from our dedicated Public-Private Partnership Department, which has laid the path for enormous PPP potential.

The exponential rise of AI integration has changed the rules of invention and creation in technology, with every sector now affected by greater possibilities for their scope of work, aligned with greater efficiency in their future operations. It is no longer a question of simply investing in technology to prosper, the latest innovations are developing at a lightning pace and industry contenders must adopt and adapt to remain truly competitive.

In 2024, we solidified our leadership by introducing AI-enhanced digital initiatives, which streamlined urban services and improved the quality of life for citizens.

A champion of Vision 2030

At solutions by stc, we are proud to be at the forefront of driving the Kingdom of Saudi Arabia's digital transformation in alignment with Vision 2030. Our mission is clear: to create a digital ecosystem that empowers businesses to overcome challenges, embrace innovation, and achieve sustainable growth. By 2025, we aim to contribute to increasing the Kingdom of Saudi Arabia's digital economy's GDP share, reflecting our commitment to economic diversification. Guided by our LEAP framework - leading through service excellence, empowering business growth and diversification, achieving excellence in customer engagements, and promoting efficiencies and sustainability - we are committed to delivering transformative value to our customers and stakeholders.

We are actively partnering with businesses of all sizes to implement digital transformation initiatives that enhance efficiency, productivity, and market reach. Our involvement in key government mega-projects, such as the Red Sea and NEOM digital initiatives, underscores our role in shaping the Kingdom of Saudi Arabia into a leading digital economy. Through strategic collaborations with global technology leaders, we bring cutting-edge innovations to the Kingdom, ensuring we remain at the forefront of the global technology race. Equally important, we are dedicated to nurturing a skilled and empowered workforce by offering training and education programs, furthering Saudization, and fostering a culture of excellence.

The Kingdom's digital transformation has revolutionized every sector in every industry, and we will continue to innovate and advance the way public and private organizations operate in order to achieve our shared ambitions for the future.

A positive force in our communities

Our commitment to the environment and the community we serve remains at the heart of our business and through every aspect of our operations we ensure that we consistently abide by international standards while also driving a culture of performance and sustainability. As the leading IT provider in the Kingdom of Saudi Arabia, we have a responsibility to act as an environmental role model to other organizations in the industry, which we undertake with both pride and passion.

We are a strong advocate and practical enforcer of United Nations Global Compact principles, the voluntary initiative that implements the universal sustainability framework to protect the environment and positively impact society at large. We can take great satisfaction in being honored by the Ministry of Human Resources and Social Development for our community work, including promoting digital literacy and our digital initiatives.

Through our "Plant, Feed, Thrive" approach, we aim to cultivate a culture that values sustainability, nurtures this commitment, and amplifies its impact across our operations and community.

We begin by planting the seeds of sustainability within our organization through training programs and the establishment of a dedicated Sustainability Management Committee. This ensures that sustainability is ingrained in our decision-making and operational frameworks. Next, we focus on Feeding this commitment by fostering engagement and empowerment among our employees. Through employee engagement platforms and the Sustainability Champions program, we encourage our teams to take ownership of sustainability initiatives and drive meaningful impact. Finally, we strive to Thrive by amplifying our engagement with the broader community. By participating in local forums and achieving recognition for our efforts, we position solutions by stc as a leader in sustainability.

Supporting and safeguarding our stakeholders

In terms of our governance, we will always act with transparency, integrity, honesty, and honor. Across our operations, we act proactively to ensure our business sustainability, protect our shareholders, and align with the most stringent principles of Vision 2030. In 2024, we conducted 7 governance audits, ensuring compliance with international standards and fostering greater shareholder trust.

As always, our commitment and investment in our colleagues play a fundamental role in our business progress as we constantly provide them with the tools and knowledge to further their careers while strengthening the depth of talent within the Company.

Our passion for progress and decades of expertise ensure that we and our partners can deliver the ideal solutions and support our customers' needs in their bid for continuous innovation and business leadership.



Looking ahead

Our business operations and partnership development in 2024 were an unmitigated success and have once again reflected our commitment to growth and the promise of service excellence to our customers.

In 2025, we will expand our focus on forming public partnerships as well as AI Technologies, aiming to deploy new projects that redefine the way we live and enhance the quality of life in the Kingdom.

Acknowledgments

In conclusion, I would like to thank our valued shareholders for their continuous support and their role in the success of solutions by stc. Through our strategic expansion, diversification, and commitment to driving innovation, our exceptional results are a reflection of our dedication to the digital transformation of the Kingdom of Saudi Arabia and the communities we serve. I also extend my gratitude to our talented employees, whose dedication and innovation have been the cornerstone of our success. Together, we will continue to lead the Kingdom of Saudi Arabia toward a brighter digital future.

Chief Executive Officer's Message



solutions by stc continues to transform the Kingdom of Saudi Arabia's businesses and industries by delivering customized solutions that apply the most advanced global technologies. In alignment with Saudi Vision 2030, we are dedicated to accelerating digital transformation and strengthening the Kingdom's global leadership. Our position at the forefront of the Kingdom's AI revolution this year has solidified our role as a primary driver of pioneering innovation. The future is bright as we work hand in hand with our government and private sector partners and clients to enhance the Kingdom's competitiveness, deliver game-changing solutions that power enterprise growth, and reimagine the daily lives of the Saudi people.

Eng. Omer Alnomany
Chief Executive Officer

Leading transformation from the cutting edge of innovation: Leading digital transformation to build a sustainable and innovative future

We must spearhead the region's AI revolution to enable the people, businesses, and government of the Kingdom of Saudi Arabia to be at the cutting-edge of such spectacular technology evolving at such a remarkable rate. Through our AI-powered solutions, we have enhanced user experiences, making services more intuitive and accessible.

We have embraced artificial intelligence as a cornerstone of our digital transformation strategy and strategically positioned ourselves at the forefront of innovation by developing a comprehensive technological ecosystem that bridges advanced computing, cloud infrastructure, and intelligent solutions. In addition, by collaborating with global pioneers we have created a robust framework that enables businesses to harness the power and potential of AI.

Partnerships powering purpose

Our strategic partnerships in 2024 have opened new revenue streams and expanded our capabilities to levels we have never seen before, providing 360-degree solutions for all our customers. These partnerships have also strengthened the competitiveness of key sectors such as healthcare, education, and transportation, delivering a tangible positive impact. These game-changing alliances extended our portfolio while also contributing outstanding expertise to create unique and tailored solutions.

From high-performance computing and the power of big data to AI-enabled applications and the digital solutions, we have the opportunity to broaden our focus and reimagine the technology landscape of the Kingdom of Saudi Arabia.

We are currently pivotal to several state initiatives, which have added a new dimension to the Company's business model, including the dedicated Public-Private Partnership Department, an integral part of our future government projects. Through our previous participation in public sector ventures, solutions by stc have been peerless in their constant innovation, unwavering reliability, and unfaltering efficiency.

These large-scale projects are set to radically change urban development, as we fulfill our ambitions to broaden our client base and benefit the daily lives of Saudi citizens. In a 10-year partnership with the development arm of Riyadh Region Municipality, we are creating one of the largest and most advanced smart parking projects in the world, with spaces for more than 160,000 vehicles.

Furthermore, among many others, the Company entered into a joint venture with the Jeddah Development and Urban Regeneration Company, whereby solutions by stc will lead digital and technology projects for all current and forthcoming projects.

In the private sector, we have also made great strides in strategic collaborations, where our acquisitions have enabled us to increase our breadth of services, expand our customer reach, and broaden our areas of expertise. A highly lucrative 5-year agreement with Saudi Aramco includes providing, distributing, and maintaining computing devices and accessories for all Aramco sites. It is one of the largest global IT projects, and a true reflection of the respect we have garnered and the quality of our services.

In addition, we completed our 40% acquisition of Devoteam Middle East, which will contribute to a more diversified portfolio and, through Devoteam's renowned consultancy capabilities, provide even more tailored solutions for clients.

Sustained financial successes

In a year of sustained growth, diversified services, and operational efficiency, solutions by stc achieved ₪ 12,064 million in revenue, a 9.3% rise compared to 2023, with net profits of ₪ 1,597 million, a year-on-year increase of 33.9%. EBITDA in 2024 increased by 16.7% to ₪ 1,948 million, with the EBITDA margin reaching 16.1% compared to 15.1% in 2023. These results were driven by strategic diversification and a strong focus on operational excellence.

Reinforcing customer excellence

As solutions by stc innovate, implement, and integrate more advanced global technology, we are able to deliver greater operational efficiency and unlock new opportunities for our customers, as well as ideally position ourselves to provide more tailored solutions.

Being responsible for 23% of the Kingdom's IT services, our customers are at the very heart of our Company philosophy. Our duty to their business success is pivotal to our own and as the number one driver of digital transformation and the Kingdom's leading technology pioneer, we have the scope to support their operations and develop their potential.

We have reinforced our customer-centric mindset even further through greater dialogue and continue to encourage feedback, a crucial element in improving the services we offer. In our commitment to customer communication, we have increased our training and cultivated an innate sense of purpose for the people and businesses we serve through rewards for excellence, hosting global technology experts to provide inspirational insights, and holding quarterly customer meetings. As always, we understand that the success of our business is reliant on the success of our clients.

Recognition for innovation and excellence

With more than 25 years of experience in ICT, we are the most recognized and respected technology solutions provider in the Kingdom of Saudi Arabia, creating and adopting innovation for the benefit of local, regional, and global individuals and businesses.

As a result, once again, solutions by stc has won a host of highly-prized awards, reflecting all aspects of our business as well as the commitment we have to improvement and innovation.

solutions by stc remains at the forefront of our market, supporting our customers and the goals of the Kingdom through continuous innovation, unwavering reliability, and unfaltering efficiency.

Looking forward with focus and ambition

As we look forward, solutions by stc remains committed to transforming AI from a technological concept into a strategic business enabler, empowering our customers to navigate the complex digital landscape with confidence and innovation. Our new partnerships will provide more opportunities from a wider portfolio, and as we enter into new areas of expertise, we expect our client base to expand accordingly. In 2025, we aim to enhance our presence in new markets and achieve a quantum leap in smart city services.

Acknowledgments

In conclusion, I would like to thank the Board of Directors and Management for their vision and expertise. As always, my gratitude also extends to our remarkable colleagues at solutions by stc, whose combined efforts have brought us another year of great achievements and opened new windows of opportunity. I would also like to thank our partners, both new and longstanding, for their invaluable contributions and, of course, our customers, the beating heart of our business. Together, we will continue empowering Saudi society and elevating its global standing.

Key Highlights

#1	~23%	+25
IT services provider in Saudi Arabia	IT services market share in KSA	Years of experience in IT sector

FY 2024 financials

9.3%	16.1%	33.9%
Revenue growth YoY to ₪ 12.06 billion	EBITDA margin	Net income growth YoY to ₪ 1.60 billion

People

1,464	64.1%	19.3%
Talented employees	Saudization	Female staff

Partnerships

171+	467	76.8%
Partners in solutions ecosystem	Local Suppliers Engaged	Procurement spending on local suppliers