03

Strategic Review

Business Model

Our business model leverages strategic inputs, efficient operations, and impactful outcomes to deliver differentiated ICT services and solutions that create sustainable value for our stakeholders. By aligning our resources with innovation and operational excellence, we address the diverse needs of government, industry, community, and shareholders while contributing to long-term growth and national development.

Inputs

- Financial
- Intellectual
- Manufactured
- Social and Relationships
- Human
- Natural

Operations

End to End, Integrated ICT Services and Solutions Provider

Outputs

- ▶ Core ICT Services
- ▶ IT Managed and Operational Services
- ▶ Digital Solutions

Outcomes

Accelerated Digital Transformation and Innovation

Clients gain cutting-edge solutions faster, unlocking new revenue streams, products, and experiences.

Enhanced Operational Efficiency and Productivity

Streamlined processes and automated workflows reduce costs, minimize errors, and free up resources for strategic initiatives.

Future-Ready, Scalable Technology Ecosystems

Clients adopt architectures that easily adapt and scale, ensuring longevity and resilience against market changes.

Elevated Customer Experience and Engagement

Integrated, omni-channel platforms deliver seamless customer journeys, leading to higher retention and satisfaction.

Value Created

Industry

All sectors engaged through horizonal and vertical specific offerings

Community / Nation

64.1%
Saudization

19.3%
Female workforce

467
Local suppliers

5.47 billion
Local procurement spending

People

1,464
Employees

42,124
Training hours

Partners

171+
World-class partners

Shareholders

13.42
Earnings per share

33.9%
Growth in net profits

Strategy and Vision 2030

LEAP 2.0: A bold vision for a transformative era

In an age of rapid technological evolution and a transformative national agenda, our journey in the Kingdom of Saudi Arabia and the region is defined by our unwavering commitment to innovation, growth, and excellence.

Over the past year, we have established a robust foundation of capabilities and offerings, positioning ourselves as a trusted leader in the IT landscape both locally and regionally. As we enter 2025 with strengthened foundations, our enhanced LEAP 2.0 Strategy reaffirms our commitment to shaping the future of the KSA and the region while delivering sustainable, long-term value to our stakeholders.

In the Kingdom, Vision 2030 serves as a guiding beacon, aligning our strategic priorities with the nation's goals for economic diversification, digital empowerment, and social development. This transformative momentum, coupled with the exponential growth of the global technology sector, creates an extraordinary opportunity for us to lead. LEAP 2.0 is our strategic blueprint to not only navigate this dynamic landscape but also actively shape it, creating meaningful and lasting value for our clients, partners, and the Kingdom.

LEAP 2.0 is structured around 4 core pillars, each designed to unlock opportunities, meet evolving customer needs, and ensure our operations drive a more technologically advanced, resilient, and sustainable future. Through disciplined execution of this strategy, we continue to build a digital ecosystem that empowers our customers to achieve sustainable growth, both regionally and globally. As we progress, LEAP 2.0 positions us to deliver a transformative impact, guided by the vision of a digitally empowered future.

Charting the path forward

Through our LEAP 2.0 approach, we are steadfast in supporting the Kingdom's vision for digital transformation and economic diversification. Our 4 strategic pillars come together as an integrated and cohesive strategy to drive progress for both our organization and the broader interests of our stakeholders and society.

We see ourselves as a catalyst for sustainable advancement, consistently adapting to emerging trends and challenges. Whether through cutting-edge service offerings, strategic partnerships, or cultivating a dynamic and skilled workforce, our focus is on delivering measurable impact for our customers, stakeholders, and community. Guided by our principles of innovation, excellence, and collaboration, we remain committed to shaping a brighter, more technologically advanced future for Saudi Arabia and the wider region.

Pillar

L

Lead through service excellence

We are driven to remain the undisputed leader in the Kingdom's ICT services market, setting a new standard for quality, innovation, and client satisfaction. We go beyond just providing services, delivering cutting-edge solutions every day that consistently exceed client expectations and redefine what is possible in the industry.

We achieve this through a deep commitment to continuous improvement, investing in core capabilities, and proactively addressing future market needs. By building the strongest and most reliable foundation for ICT capabilities, we ensure that the highest level of service excellence becomes the benchmark for the industry and a key driver of digital transformation.

Pillar

E

Empower business growth and diversification

Our focus on embracing the future and actively pursuing growth opportunities drives meaningful impact. We remain committed to staying ahead of the curve by exploring emerging technologies and innovative business models, such as co-creation, public-private partnerships, and revenue-sharing arrangements.

Through strategic investments in research and development and by forging impactful partnerships, we push boundaries and expand our offerings to tap into new markets. Our role is to be a pioneer in the evolving technological landscape, ensuring that we are not just participants but leaders in shaping the next generation of digital solutions. Dynamic expansion and capturing the potential of tomorrow's technology today lie at the heart of this strategy.

Pillar

A

Achieve excellence in customer engagements

Our customers and their ever-evolving needs are central to everything we do. We are committed to building meaningful, long-term relationships by deeply understanding our clients' unique needs and delivering a customer experience that sets us apart.

We aim to become a trusted advisor and a key contributor to our clients' success stories, moving beyond transactional relationships to create true partnerships. By refining every touchpoint, tailoring offerings to specific industries, and fostering loyalty, we ensure that every client interaction is personalized, positive, and productive. Our goal is to transform satisfied customers into advocates who champion the solutions by stc brand and its impact on their businesses.

Pillar

P

Promote efficiencies and sustainability

We work each day to create a responsible, sustainable business that aligns growth with long-term economic, social, and environmental goals. We are prioritizing operational excellence by streamlining internal processes, optimizing resources, and reducing environmental impact through sustainable practices.

Our commitment extends to fostering a strong internal culture, investing in our people through skills development, leadership training, and strategic workforce planning, ensuring we build a future-ready organization. Additionally, we support the Kingdom's broader economic and social development goals by aligning our efforts with initiatives like Saudization and fostering community engagement. By creating a foundation of efficiency, sustainability, and responsibility, we ensure our growth is impactful, ethical, and aligned with national priorities.

Strategy and Vision 2030 continued

Supporting the goals of Vision 2030

At solutions by stc, we are proud to align with and actively support the transformative goals of Saudi Vision 2030 through strategic initiatives and partnerships:

Driving digital transformation

We collaborate with businesses of all sizes to implement digital transformation initiatives that enhance efficiency, boost productivity, and open access to new markets

Advancing mega government projects

Through our involvement in landmark projects such as NEOM and the Red Sea Smart Cities initiatives, we contribute to positioning the Kingdom of Saudi Arabia as a leading global digital economy and society

Partnering with global innovators

By partnering with global technology leaders, we ensure the latest innovations are brought to Saudi Arabia, enabling the Kingdom to maintain a competitive edge in the global technology landscape

Developing local talent

We provide training and education programs designed to equip Saudis with the skills required to thrive in the technology sector, supporting a skilled workforce and advancing Saudization

Our strategy is built on the belief that agility, innovation, and customer-centricity are the key drivers of sustainable growth. We will continue to lead with cutting-edge solutions that elevate both our clients' operations and the broader market landscape.

Maher Salem Althiyabi
Chief Strategy Officer

Case Studies

Jeddah Development and Urban Regeneration Company

A game-changing joint venture with Jeddah Development and Urban Regeneration Company

Driving urban renewal with technology

The Kingdom of Saudi Arabia is undergoing a significant transformation, driven by its Vision 2030 goals of economic diversification and digital empowerment. A cornerstone of this ambition is the modernization of urban centers like Jeddah, which requires advanced technological solutions to enable efficient project management and digital transformation. As part of this evolution, Jeddah Development and Urban Regeneration Company (JedCo) identified the need for innovative digital capabilities to support its wide array of public-private partnership (PPP) projects. This presented an exciting opportunity for solutions by stc to leverage its expertise and contribute to this transformative agenda.

A strategic partnership for digital transformation

In a landmark move, solutions by stc joined forces with Jeddah Development and Urban Regeneration Company (JedCo) to establish Amanah Tech, a new joint venture aimed at driving technological innovation in Jeddah's urban projects. This new entity embodies the spirit of PPPs, with solutions by stc holding a 70% stake and Jeddah Development and Urban Regeneration Company (JedCo) owning 30%. Amanah Tech's primary goal is to deliver advanced technological solutions, enable digital transformation, and provide managed services for Jeddah Development and Urban Regeneration Company's diverse portfolio of projects. Backed by an initial capital of ﷼ 3 million, Amanah Tech focuses on building and developing the IT infrastructure required to empower sustainable growth and efficient project execution in Jeddah.

Unlocking potential with technology

Amanah Tech represents a bold step forward in enhancing Jeddah's urban regeneration initiatives. The new entity is uniquely positioned to deliver:

▶ Innovative digital solutions: Custom-built technologies that address the specific needs of Jeddah Development and Urban Regeneration Company's projects

▶ Managed services: Comprehensive project support to optimize efficiency and resource utilization

▶ IT infrastructure development: Building the robust foundations necessary for sustainable, scalable growth

Through these services, the partnership is designed to drive digital transformation and set a benchmark for effective collaboration between the public and private sectors. By integrating cutting-edge technology and operational expertise, solutions by stc empowers Jeddah Development and Urban Regeneration Company (JedCo) to achieve its ambitious goals while reinforcing its leadership in the digital economy.

Delivering transformation, adding impact

Amanah Tech has been established with a clear vision of establishing significant strides in transforming Jeddah's urban projects. By providing tailored technological solutions and managed services, it will accelerate digital transformation across multiple initiatives. The collaboration is planned to enhance project efficiency and to enable better resource allocation, directly contributing to the Kingdom's Vision 2030 agenda. With its robust IT infrastructure and innovative solutions, the joint venture will become a pivotal force in driving Jeddah's modernization while setting a precedent for future partnerships.

Our joint venture with Jeddah Development and Urban Regeneration Company exemplifies how public-private collaboration can drive meaningful change. By combining cutting-edge technology with visionary leadership, we are set to unlock sustainable growth that benefits our customers, stakeholders, and the Kingdom as a whole.

Remat Al-Riyadh Partnership

Partnering with Remat Al-Riyadh for pioneering smart urban parking

A smarter, more efficient Riyadh

As Riyadh continues its rapid urbanization under the Kingdom's Vision 2030, the city faces increasing demands for more efficient, sustainable urban solutions. Parking congestion, illegal parking, and time spent searching for spaces are key contributors to traffic issues, emissions, and reduced quality of life for residents and visitors. Addressing these challenges presented an opportunity to revolutionize parking management through innovation, technology, and infrastructure development, paving the way for a smarter, more accessible Riyadh.

Transforming urban parking with smart technology

solutions by stc partnered with Remat Al-Riyadh to introduce a cutting-edge smart parking system designed to enhance the city's operational efficiency and user experience. The initiative combines best practices from leading global cities with advanced technological solutions, focusing on excellence in customer experience and operational performance. As part of the collaboration, solutions by stc manages field operations and oversees the rollout of on-street parking zones while also developing physical infrastructure to optimize readiness. This partnership bridges technology and urban development to modernize Riyadh's parking systems.

Revolutionizing parking for a better city

The Remat Al-Riyadh partnership delivers multifaceted benefits across social, economic, and environmental dimensions:

▶ Environmental impact: Reduced emissions and improved air quality by minimizing unnecessary vehicle movement and time spent searching for parking

▶ Traffic management: Alleviated congestion through better traffic flow and reduced illegal parking

▶ User experience: Enhanced convenience for residents and visitors with AI-Occupancy Management, mobile applications, and real-time data for easier parking access

▶ Economic growth: Increased city revenue from parking service fees, supporting financial sustainability and infrastructure development

▶ Urban development: Improved city aesthetics, making Riyadh more welcoming and visually appealing

▶ Innovation: Leveraging data-driven insights and smart parking management systems to optimize operations and support future urban planning

Creating a blueprint for urban efficiency

The Remat Al-Riyadh project has already begun transforming Riyadh's urban landscape, with the technology development and rollout of smart solutions in progress. Two to three zones are now operational, demonstrating tangible improvements in traffic flow, user satisfaction, and city management. This progress lays a solid foundation for expanding the initiative citywide, setting Riyadh as a leader in urban innovation and sustainability.

Our partnership with Remat Al-Riyadh exemplifies how smart technology can address real-world challenges, delivering value to our customers, enhancing urban efficiency, and supporting Riyadh's transformation into a global smart city.
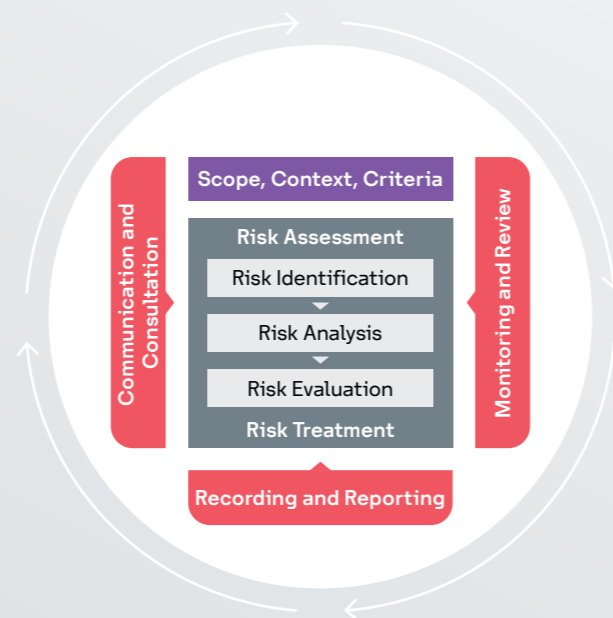
Risk Management

In today's rapidly changing world and era of digitalization, solutions by stc remains committed to ensuring the sustainability and resilience of our business. We achieve this by implementing a comprehensive Enterprise Risk Management framework that proactively identifies, analyses, and evaluates potential risks that could impact our strategic objectives and operations. This proactive approach not only helps us prevent disruptions but also enables us to ensure business continuity during any possible crisis.

Risk Management overview

solutions by stc focuses on maintaining and improving advanced risk management practices with strong infrastructure following the well-known international standards ISO 31000 and COSO ERM integrated with solutions by stc's strategy for enabling strategic risk-informed decision-making.

Risk Management processes

Risk Management principles

Risk Management Activities

- Certified ISO 31000
- Quarterly monitoring of principal risks
- Annual update of risk assessment
- Monthly/Quarterly/Bi-annually/Annually Key Risk Indicators monitoring
- Regular training and awareness to increase the risk culture and risk management knowledge
- Annual assessment for internal control

solutions by stc embeds risk management across every level of the organization to ensure that it is integrated with the decision-making process and supports the delivery of the Company's business strategy.

By combining a robust risk governance framework with close collaboration and communication among various business units, the business gains a deep understanding of internal and external risks and subsequently develops risk management approaches, strategies, and mitigation to adequately mitigate these risks and ensure alignment with solutions by stc's overall strategic direction and objectives.

solutions by stc is committed to adopting a comprehensive, highly effective and agile Risk Management program, applying best practices and leading standards. It also seeks to automate elements of the Risk Management process and activate data driven, and technology-based methodologies to aid in decision-making, while leveraging internal and external resources to meet stakeholder expectations to uphold the highest standards in Risk Management.

Risk Governance framework

solutions by stc's Board of Directors have the ultimate responsibility of governance and oversight of all Risk Management activities across the Company, in accordance with our approved Enterprise Risk Management Policy.

Risk Management highlights

solutions by stc seeks to continuously improve its Risk Management approach and capabilities. The Company integrates Enterprise Risk Management with strategic objectives and planning. There is always a focus on identifying and reporting emerging risks arising from global sources and ensuring that the Risk Management function plays its vital and appropriate role in helping to achieve the Company's strategic objectives.

solutions by stc is committed to adopting best practices of Enterprise Risk Management, which was highlighted this year by maintaining ISO-31000 – Guidelines on Risk Management Certification, which includes passing surveillance audits in addition to increasing Risk Management program maturity.

Risk Management continued

Internal control review

As part of the Risk Management role to ensure effectiveness and adequacy of the internal control environment, solutions by stc conducts an annual internal control review (ICR) across all divisions, departments, and functions to assess the current controls environment, identify additional risks, test design and operating effectiveness of controls, and provide Management with reasonable assurance over the internal control environment.

Control Environment · Risk Assessment · Control Activities · Information & Communication · Monitoring Activities → Operations / Reporting / Compliance → Entity Level · Division · Operating Unit · Function

Risk Appetite Statement

solutions by stc has established a defined Risk Appetite Statement, which outlines the level of risk an organization is willing to pursue to achieve its objectives. The objectives of having a Risk Appetite Statement are to set clear expectations about how much risk is appropriate to take in the pursuit of solutions by stc's strategic objectives and provides solutions by stc's Management with a tool for effective and informed decision-making.

Risk Appetite Characteristics

Risk Appetite Statement recognizes that the Organization has a portfolio of projects and objectives, as well as a portfolio of risks to manage

1 Risk Appetite Statement facilitates monitoring of the competitive environment and considers shareholders views

2 Facilitates alignment of people, processes and infrastructure in pursuing organizational objectives within acceptable ranges of risk

3 Risk Appetite Statement helps with setting acceptable tolerance for risk

4

Principal risks

Principal risks	Description	Management response
1 Regulatory risk	The risk of non-compliance with applicable laws and regulations resulting in legal and financial implications	▸ Actively adhered to regulatory requirements, supporting our vision to lead in the ICT sector ▸ Maintained a robust compliance management system to enhance Company-wide compliance culture ▸ Aimed to set a benchmark in compliance management, meeting regulatory needs and adopting the best practices ▸ Strengthened relationships with customers, employees, partners, and investors
2 Sustainability risk	The risk of a decrease in Environmental, Social, and Governance performance leading to a decline in our ESG index ranking, resulting in possibly losing investors and having an adverse reputational impact	▸ A comprehensive strategy and program in place for Sustainability ▸ An ESG Committee has been established to oversee the ESG program and its execution ▸ ESG performance indicators are defined, tracked, monitored, and reported ▸ Communication awareness campaign, and enhancing a sustainability culture and capability
3 Geopolitical risk	The risk of negative impacts on operations, trade, and strategic goals arising from complex and dynamic interactions shaped by political, economic, and social factors, resulting in disruptions to supply chains and operational support systems	▸ Established alternative shipping methods with multiple carriers for efficient emergency deliveries ▸ Retained the CIPS MENA Procurement Award for excellence in local content ▸ Optimized sourcing strategy to adapt to market dynamics
4 Emerging technologies risk	The risk of the inability to adopt transformative technologies resulting in potential operational inefficiencies, compromising agility and leading to a competitive setback	▸ Continuously monitored business insights across the organization for ICT-related market trends and publications ▸ Regularly assessed and prioritized transformative technologies aligned with business goals ▸ Used agile methods and partnered with tech companies / experts for swift adoption
5 Cybersecurity and data privacy risk	The risk of increasing sophistication and the variety of cyber-attacks, along with the unauthorized disclosure of organizational or personal data, can lead to operational disruptions, reputational harm, regulatory repercussions, and financial losses	▸ The cybersecurity policies and framework are maintained to assess the changing needs of the organization, industry, and regulatory obligations and are used to address the challenges posed by the emerging threats and new complex technologies ▸ Maintained robust cybersecurity and data privacy risk and compliance program(s) aligned with regulatory laws / regulations, enterprise risk / compliance and industry leading practices ▸ Exceled in identifying, assessing, and mitigating potential incidents and threats to the Company's digital ecosystems ▸ Certified against ISO 27001 Information Security Management System (ISMS) and ISO 27701 Privacy Information Management
6 Competition risk	The risk of an increasing footprint by international players and local players continuously striving to gain market share, in addition to an increased number of start-ups in the Kingdom of Saudi Arabia's IT sector, making the market more fragmented	▸ Expanded digital and IT offerings, entering new business lines to meet diverse customer needs across the IT value chain ▸ Achieved growth through strategic acquisitions and internal development, broadening portfolio scope ▸ Strengthened product portfolio by building partnerships that introduce complementary solutions ▸ Enhanced customer retention by implementing successful bundling and cross-selling strategies, reducing competitive impact ▸ Conducted continuous market research to identify updates and changes that could impact our market competitiveness, allowing us to adapt proactively to evolving customer and market needs

Risk Management continued

Business Continuity overview

solutions by stc has implemented and maintained a robust Business Continuity to ensure organizational resilience in the face of disruptions.

Management commitment and support: Leadership at solutions by stc is deeply committed to fostering a culture of business continuity. This commitment is reflected in the allocation of resources, active participation in continuity planning, and the establishment of clear objectives that prioritize business resilience.

Business Impact Analysis (BIA) and Threats Risk Assessment (TRA): solutions by stc conducts BIA and TRA exercises on an annual basis to address all critical processes and assess potential threats. This enables solutions by stc to evaluate the impact of disruptions, determine recovery priorities, and develop strategies to mitigate risks.

A Comprehensive Business Continuity Plan (BCP): solutions by stc has implemented a range of BCP's to address essential areas such as business operations, technology, and facilities. These plans include well-defined roles and responsibilities, clear communication protocols, and recovery strategies for critical functions. Through proactive preparation, solutions by stc has also developed robust Crisis Management and Incident Response plans to ensure effective management and swift response to potential incidents. Continuous improvement and review processes are in place to regularly monitor, test, and update these plans based on insights gained from exercises and lessons learned.

Testing, Exercising, and Awareness: solutions by stc conducts regular drills, simulations, and tabletop exercises to validate the effectiveness of the Business Continuity Plan (BCP) and identify areas for improvement. Over 500 employees have received training and awareness sessions to ensure they are consistently prepared in their roles and responsibilities within the BCP and overall organizational resilience, enabling them to respond effectively during any disruption.

2024 Business Continuity achievements

Certified in ISO 22301: Business Continuity Management System

Since 2020, solutions by stc has achieved and maintained ISO 22301 certification. It is reviewed annually to demonstrate our commitment to establishing, implementing, maintaining, and improving a robust Business Continuity Management System (BCMS). This certification ensures effective preparation for, response to, and recovery from disruptive incidents.

### Certified in ISO 22320: Emergency Management – Guidelines for Incident Management

Since 2022, solutions by stc has also achieved and maintained ISO 22320 certification. It is reviewed annually to outline essential guidelines for effective incident management during emergencies. This certification exemplifies our commitment to upholding high standards in coordinating and managing incidents, ensuring clear communication, and efficient resource allocation during crises.

Conducted annual full crisis simulation with senior Management participation

solutions by stc orchestrates a comprehensive crisis simulation exercise every year, involving the Executive team. This simulation is designed to test and refine our response strategies in real-time scenarios, ensuring that leadership is well-prepared to make critical decisions under pressure and that the entire solutions by stc team can respond cohesively to potential crises.

Ongoing training, awareness, and exercises related to business continuity management

solutions by stc has implemented a continuous program of training and awareness initiatives focused on business continuity management (BCM). This includes regular workshops, drills, and exercises aimed at enhancing the knowledge and preparedness of all employees, ensuring that they understand their roles and responsibilities in maintaining business continuity during disruptions.
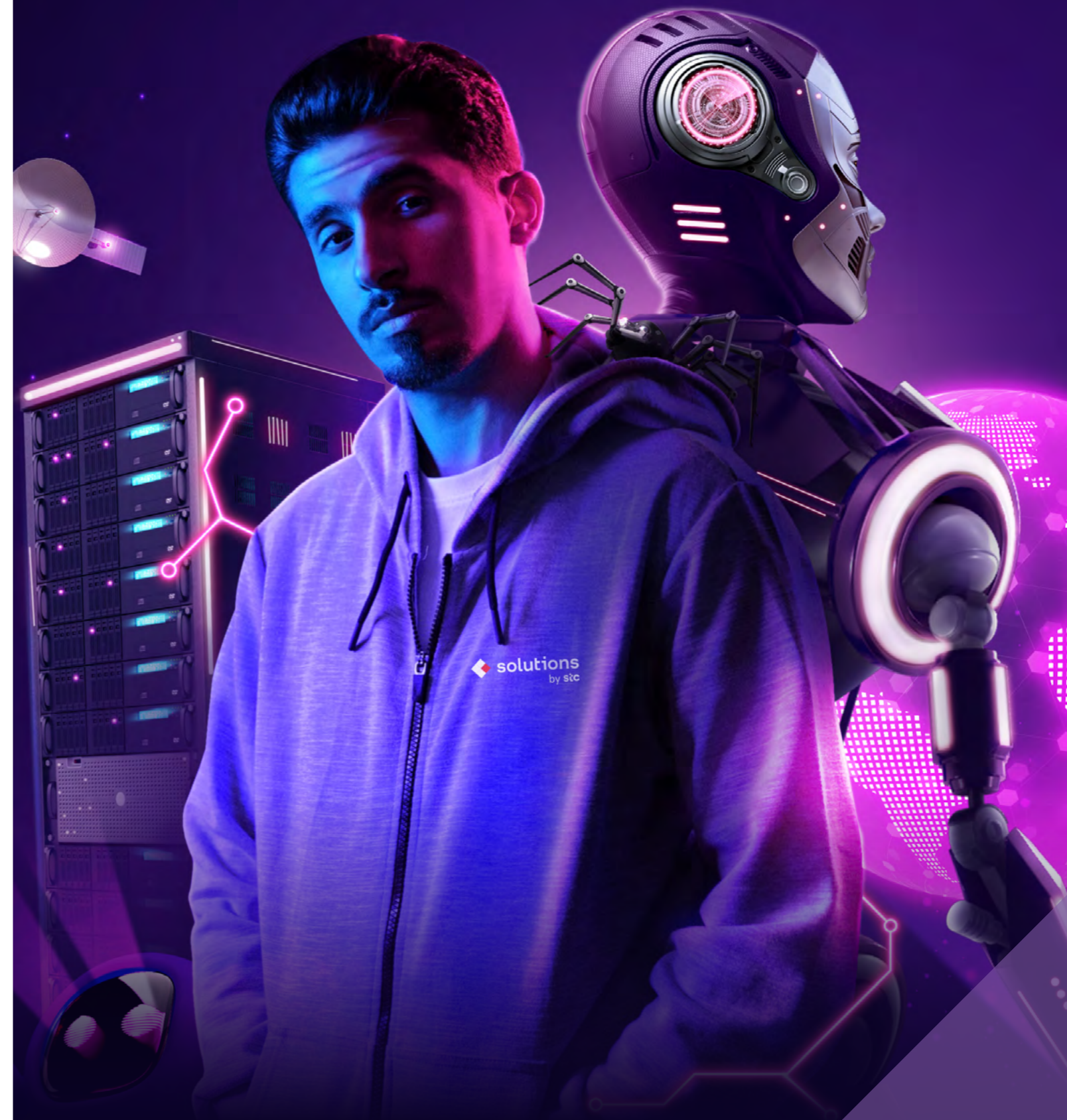
Market Overview

Global and KSA ICT market trends in 2024

The year 2024 marked a transformative period for the Information and Communications Technology (ICT) sector, both globally and within the Kingdom of Saudi Arabia (KSA). Key drivers included accelerated digital transformation, widespread adoption of 5G and cloud technologies, and the proliferation of AI-powered solutions across various industries. These advancements were further fueled by rising consumer demand for immersive digital experiences and seamless e-commerce platforms, prompting enterprises to invest strategically in advanced analytics, robust cybersecurity measures, and user-centric solutions.

On the global stage, the rapid rise of artificial intelligence (AI) was a defining trend, with IDC projecting annual spending on AI-centric systems to surpass USD 300 billion by 2026. The KSA reflected this global trajectory, with substantial investments in AI and complementary technologies contributing to its ICT market growth, which is expected to exceed USD 36.6 billion by the end of 2024.

In the KSA, the ICT sector's growth was strongly aligned with the goals of Vision 2030, the national initiative to diversify the economy and reduce dependency on oil revenues. This strategic agenda, supported by various government programs, accelerated the Kingdom's digital transformation. As a result, the KSA achieved remarkable milestones, including securing second place among G20 nations in the ICT Development Index and ranking sixth globally in the UN E-Government Development Index. These advances reflect the growing strength of both the oil and non-oil sectors, with the latter demonstrating increasing contributions to the economy. While specific growth rates and total revenue figures for 2024 await further data, the overall trajectory indicates a resilient and expanding ICT market in the Kingdom.

Several strategic factors drove these developments. The Kingdom's investments in digital infrastructure, combined with increasing internet and smartphone penetration, created a robust foundation for ICT sector growth. Entrepreneurial initiatives like the Space Tech Entrepreneurship Program also spurred innovation and attracted significant investment. Additionally, indirect contributors such as the tourism and religious travel sectors increased demand for digital services and connectivity, while the private sector emerged as a critical partner in driving growth.

Overall, despite global inflationary pressures and regional instability, the KSA's ICT sector demonstrated remarkable resilience. This strength was underpinned by proactive government support, active private sector collaboration, and a thriving digital ecosystem, all of which position the Kingdom as a regional leader in technology and innovation.