

Investor Presentation



Agenda

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- 1 Overview of solutions by stc

 - 2 KSA's Macro-Economic Environment

 - 3 Market Opportunities

 - 4 Strategy Highlights

 - 5 Historical Financial Performance

 - 6 Appendix

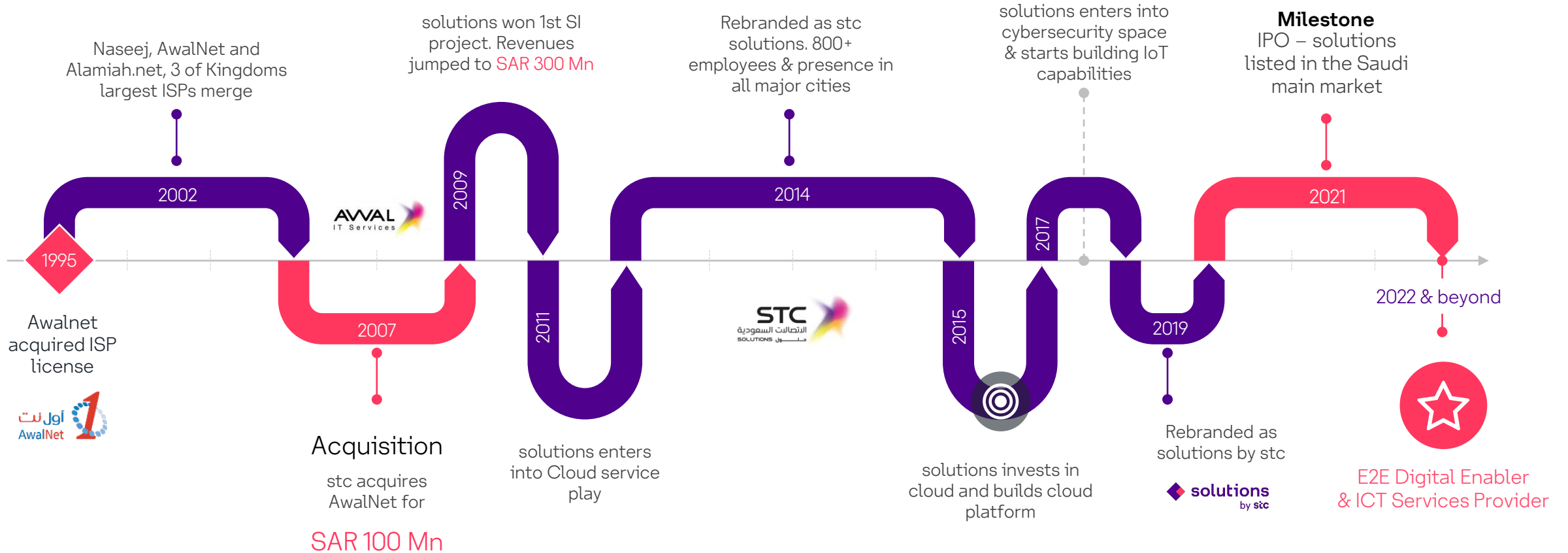
1

Overview of solutions by stc



solutions by stc evolution

Expanding from serving stc alone to serving government and enterprises across KSA



Management Team

solutions leadership team are set to achieve corporate progression and business goals.



Omer Abdullah Alnomany
Chief Executive Officer (CEO)

+29 years of experience in IT services and telecommunications, of which 16 years have been at stc in various leadership positions.



Saleh Abdullah Al Zahrani
Chief Technology Officer

25+ yrs. of experience, of which the last 8 years have been in a GM position at stc Group. Prior to stc, he worked with SBM and Cisco.



Ahmed Naji Bajnaid
Chief Governance Officer

20+ yrs. of experience, of which +15 years in stc in various roles in Technology and Operations.



Thamir Mohammad Alhammad
Chief Business Outsourcing Officer

22+ yrs. of experience in IT services solutions. Worked with Cisco and stc in various IT-related roles prior to joining solutions.



Yousef Abdulrahman AlMarshad
Chief Commercial Officer

13+ yrs. of experience. Prior to current role, he held the role of General Manager, Government Sales in solutions.



Rajeh Saad AlBogamy
Chief Audit Officer

20+ yrs. of experience. Prior to current role, he held the role of GM, Business & Technology Audit in solutions.



Abdulrahman Hamad Al Rubaia
Chief Financial Officer

19+ yrs. of total experience in finance roles in solutions.



Saleh Tareg Al Groony
Chief People & Corporate Services Officer

14+ yrs. of experience in human resources. Prior to current role, he held the role of GM Human Capital Management in solutions.



Muataz Abdullah Aldharrab
Chief Strategy Officer


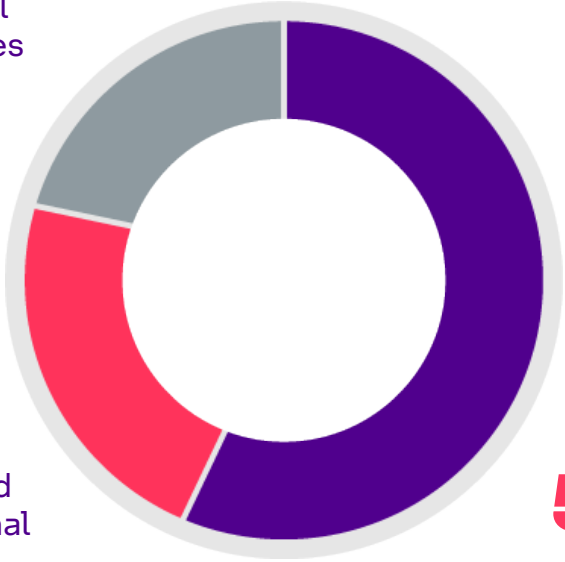


16+ yrs. in the IT services industry with multiple leadership roles in solutions. Before solutions, he worked with SBM and Cisco.



Hatem Elkadi
Chief Partnerships & Synergies Officer

30+ yrs. of experience in the ICT industry with multiple leadership roles in solutions. Before solutions, he worked with SBM and Cisco.



Product Highlight

| Business segment | Business line | 2022 Revenue Composition by Segment |
|--|---|---|
|  Core ICT Services | <ul style="list-style-type: none">◆ System integration services◆ Communication and Internet services |  <p>19% Digital Services</p> <p>27% IT Managed & Operational Services</p> <p>54% Core ICT Services</p> |
|  IT Managed and Operational Services | <ul style="list-style-type: none">◆ Managed services◆ Business Process Outsourcing | |
|  Digital Services | <ul style="list-style-type: none">◆ Cloud services◆ Digital services◆ Cybersecurity Integration | |

Product Offering





Core ICT Services

| Business line | Description |
|---|---|
|  System Integration Services | <p>The core business of solutions, with services spanning across the value chain, enabled through a strong local and global partner ecosystem</p> <ul style="list-style-type: none">◆ Network Integration◆ Infrastructure Integration◆ Application Integration◆ IT Advisory Services |
|  Communication and Internet Services | <p>Serving high-end connectivity needs of enterprises within cities as well as remote locations</p> <ul style="list-style-type: none">◆ Dedicated secured and high-quality business internet◆ VSAT services |

Product Offering






IT Managed and Operational Services

| Business line | Description |
|--|---|
|  Managed Services | Managed services provides end-to-end management of: Business networks i.e., Managed WiFi, managed LAN and managed Router services; IT Infrastructure i.e., servers, edge computing, devices, assets etc. |
|  Business Process Outsourcing | Outsourcing services include IT support and maintenance, covering four key functional areas focusing on front-office (Customer-facing services for the clients) and back-office support services (Administrative or support services) |

Product Offering

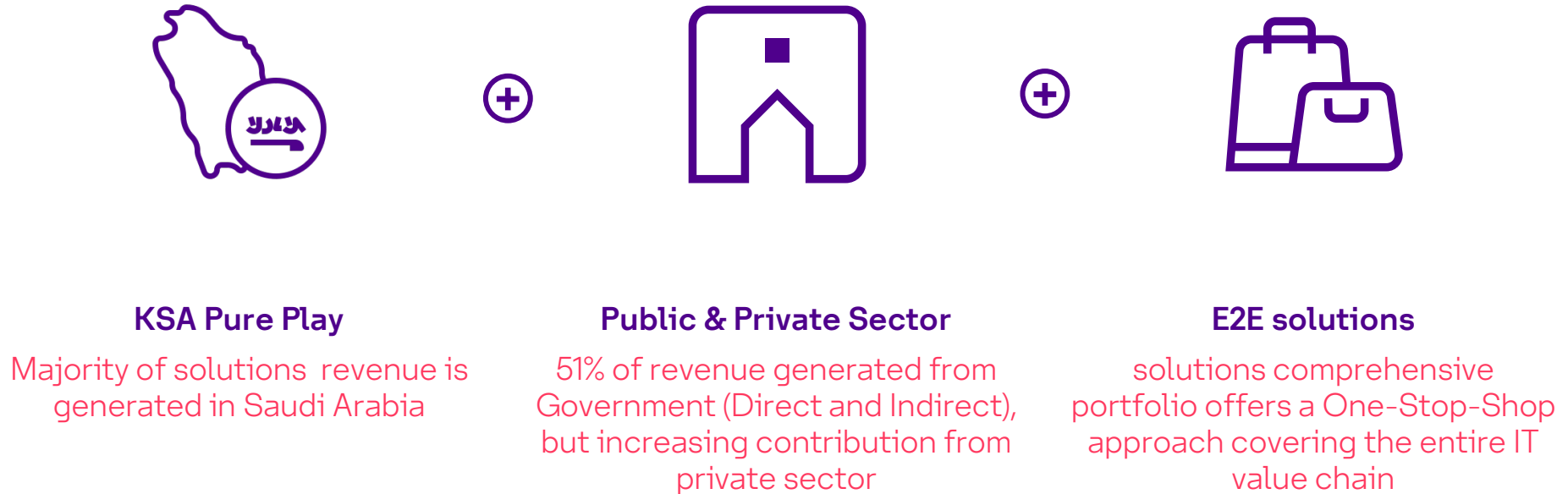


Digital Services

| Business line | Description |
|--|--|
|  Cloud Services | Full spectrum of data center & cloud services including: <ul style="list-style-type: none">◆ Colocation◆ Disaster Recovery as a service◆ Partner services through market place◆ Private Cloud◆ Public Cloud◆ Multi cloud management |
|  Digital Services | Includes solutions to connect, monitor and analyze machines/devices for informed and effective decisions. Key services include: <ul style="list-style-type: none">◆ Fleet Control◆ Virtual Clinic◆ Smart Surveillance◆ Point of Sale◆ M2M Connectivity |
|  Cybersecurity Integration | Providing security services covering the full IT value chain stages, including planning, design, implementation and project management of technical solutions that cater to enterprises' specific security needs. |

Market Positioning

solutions currently has ~20% market share in the Saudi Arabian IT market



Competitive Landscape

solutions is in an unrivalled position to maintain its leadership position in Saudi Arabia



solutions competitive positioning



solutions' key strengths:

- Access to customers
- Cross-selling
- Sharing brand equity
- Sharing best practices
- Opportunities as customers



International Competition

- International players are solutions' partners rather than competitors



Local Competition

- Fragmented local industry primarily focused on reselling hardware and software with minimal professional services
- Other telco operators represent limited threat as they underinvested in their infrastructure for years



High barriers to entry



+20 years track record



Regulatory compliance



Customer relationships



Local experience



Delivery capability (large & complex projects)

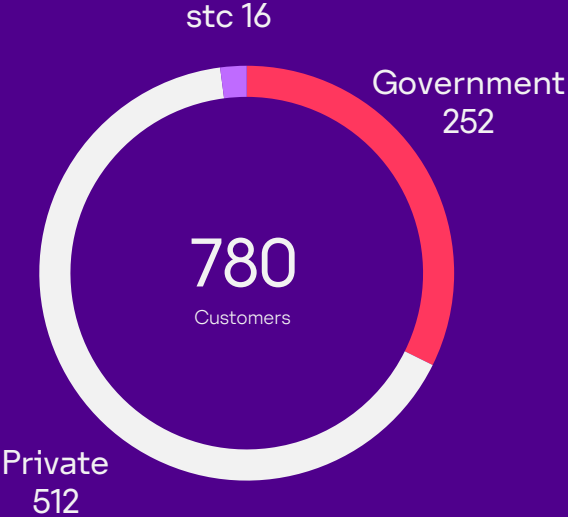


Market reputation

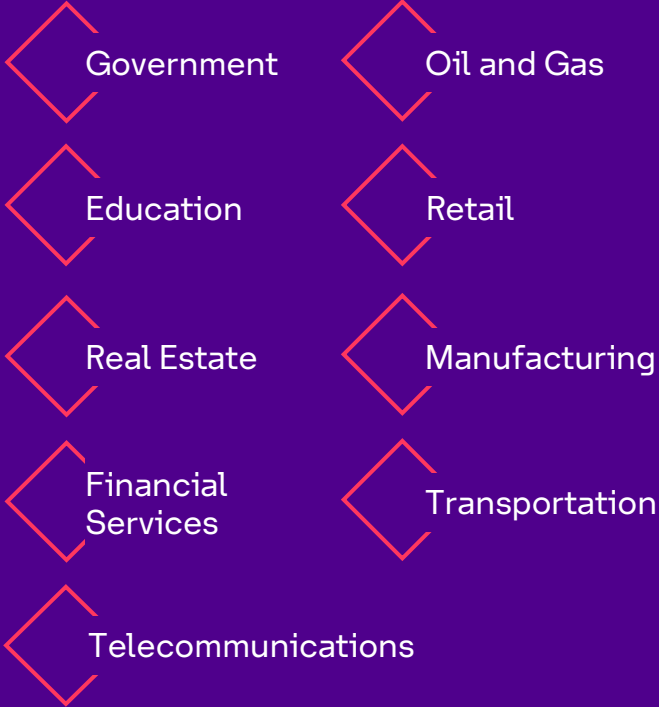
Customers and Offerings Analysis

solutions have a diversified customer base across the kingdom and different industries

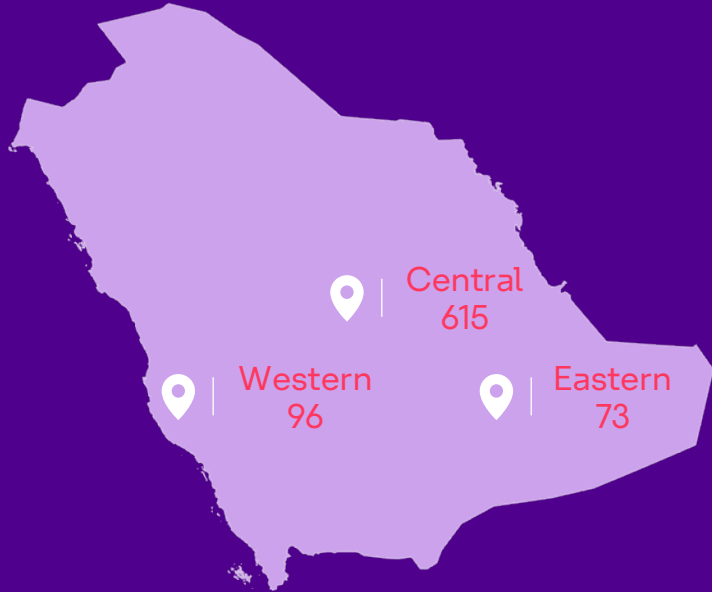
Customers by Segment



Industries



Clients by Region



Partnerships

Well-balanced partner ecosystem to diversity our offerings



150 +

Partners including
Cisco, Microsoft, Dell,
VMWare, Huawei.



9 Agreements

Signed under VAP scalable
program to penetrate the SME
segment



45%

growth in partner
revenue



38 new

Niche digital and
emerging tech partners

with significant recognition from our international partners



Cloud Partner of the
Year 2022



Fellow Traveler 2022
Award
Enterprise
Networking Partner
of the year 2022
The Partner of the
Year 2022
Excellent Global
Sales Partner Award
2022



Dell Cloud & Services
Partner of the Year 2022
by Mindware



Strategic Partner of the
Year 2022



Enterprise Partner of
the Year 2022



System Integrator
Partner of the year 2021



Partner of the Year 2022



Telecom Partner of the
Year 2022



Partner of the Year 2022



Enterprise Partner of
the year 2022
Tiering Up Partner of
the Year 2022



Human Capital Analysis

solutions work towards achieving an apt skill level and diversified employee base

Employees Age

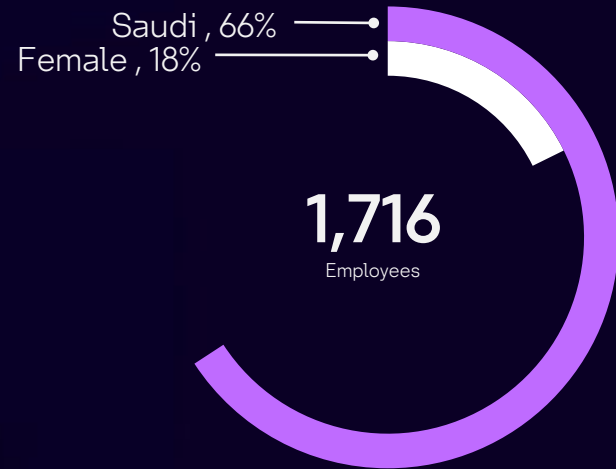


Training Hours



Hours of training have been conducted during 2022 (+20% compared to 2021)

Employees Profile



2

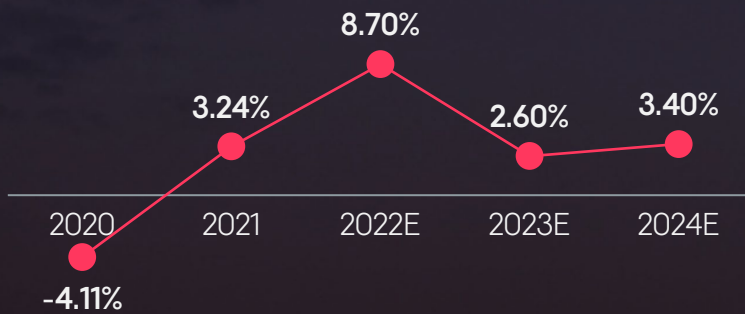
KSA's Macro-Economic Environment



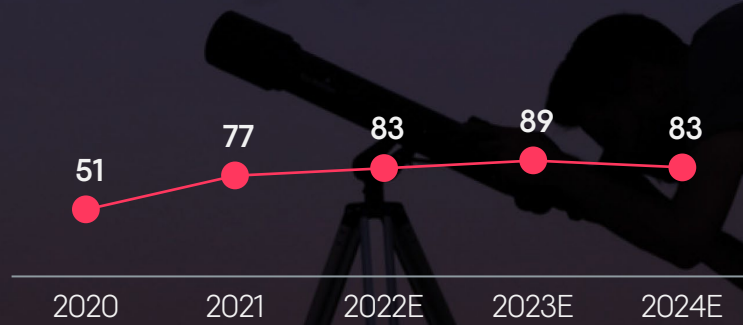
Macro-Economic Environment

Robust economic outlook supportive for the ICT sector in the kingdom

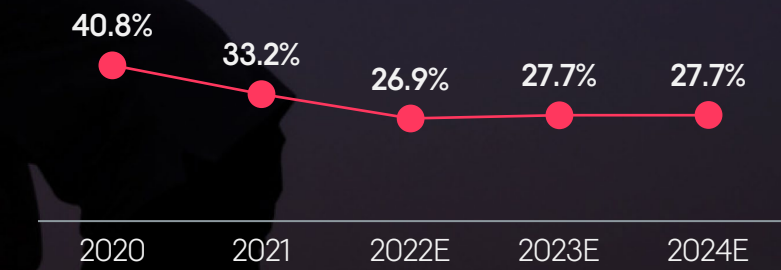
Real GDP Growth (%)



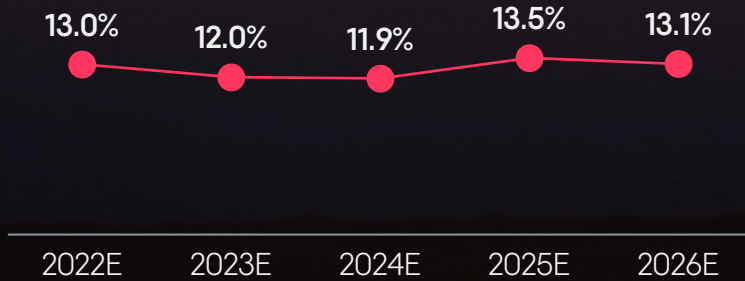
Brent Oil Price / Barrel (USD)



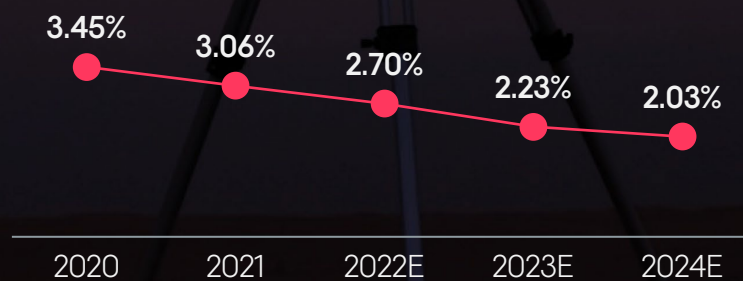
Government Expenditures % of GDP (%)



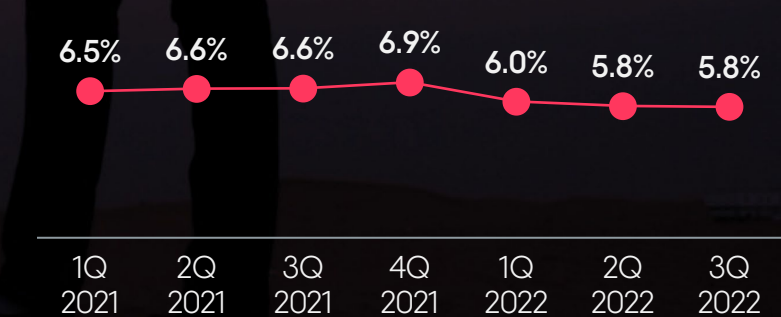
KSA IT Growth (%)



Inflation Rate (%)



Saudi Unemployment Rate (%)





3

Market Opportunities



Market Opportunities

Saudi Arabia is one of the fastest growing ICT markets worldwide



| | | | | |
|---|--|--|--|--|
| <h3>Smart Cities</h3> <p>\$500bn Government investment</p> <p>285 "smart city" municipalities</p> | | <h3>Saudi Arabia 2023 ICT Strategy & Targets</h3> <p>SAR50bn ICT sector contribution to GDP</p> <p>50% IT market Growth</p> <p>>25k Job creation in the sector</p> | | |
| <h3>Data Centers</h3> <p>\$18bn Plan to build data centers</p> | | <p>50% Saudization</p> | <p>50% Female workforce participation</p> | |
| <h3>Vision 2030 fueled by digitization</h3> | | | | |
| <p>Cloud First Public & Private Sector</p> | <p>Industry 4.0 Becoming Mainstream</p> | <p>Retail Omni-Channel Approach</p> | <p>Digitization #1 Priority</p> | <p>Cybersecurity Key Priority</p> |

solutions and services

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



A man with a beard and a young boy are looking at a screen. The man is pointing at the screen. The scene is lit with dramatic blue and red lights. The man is wearing a white shirt, and the boy is wearing a dark shirt. The background is dark.

4 Strategy Highlights

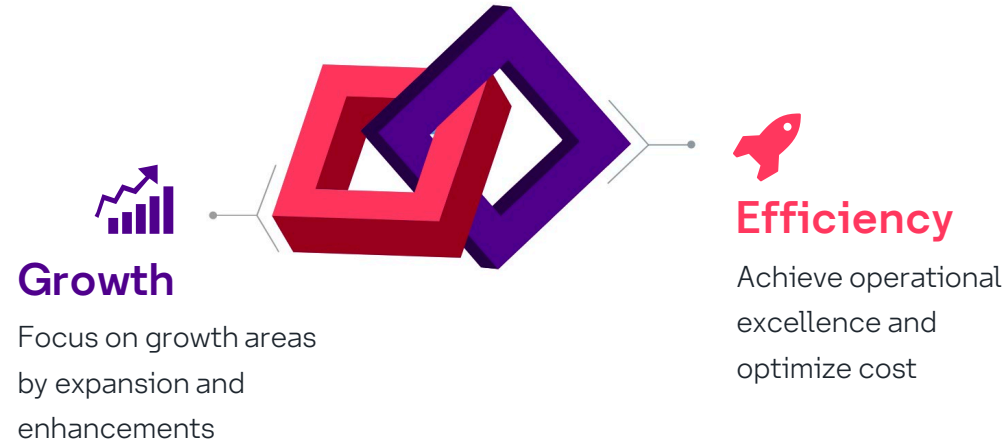


solution's Strategy



Strategic Objectives

solutions provides innovative technology solutions that enable our customers to succeed in evolving market needs



L

Lead in managed & professional services

Enrich & expand capabilities in traditional cloud services and managed services categories

Build capabilities in the domains of App integration & management, cloud professional services and BPO

E

Expand product portfolio & market reach

Expand target market reach by penetrating untapped market segments

Protect & expand in high margin products by strengthening productization capabilities in digital, emerging tech and managed services

A

Advance customer success & partner ecosystems

Build best in class customer experience and achieve excellence in delivery

Expand partner ecosystem and explore flexible business models to address customer needs throughout their digital transformation journey

P

Promote internal efficiencies & collaboration

Achieve agility through internal processes optimization and digitalization

Optimize investments in internal capabilities buildup and resources management

b

M&A Strategy



In the MENA region, the market for IT services is ripe for consolidation

MENA's IT market is dynamic and fragmented - perfect ingredients for strong M&A activity going forward

MENA is following in the footsteps of mid-market ICT M&A activity globally



solutions' M&A strategy is built on three pillars with the aim to scale, widen the offering, and remain the industry leader:

01

Strengthening existing portfolio and sectors of activity



Vertical integration to improve depth of offering

02


Expanding into new segments and new geographies



Horizontal expansion to widen offering and geographic footprint

03

Entering disruptive technologies



Capturing opportunities in growing industries

Giza overview

Giza transaction will further enhance solutions' one stop shop offering and enable access to new markets

Portfolio

| | | | |
|--|--|--|---|
| <p>System & Application Integration</p> | <p>System, application & infra integration and advisory services</p> | <p>Digital solutions</p> | <p>Industrial and physical security bespoke digital solutions</p> |
| <p>Application Development & Management</p> | <p>Custom application development, app mgmt. & SW deploy and support</p> | <p>Data Center & Cloud Services</p> | <p>Infrastructure/DC services, cloud advisory, migration & deployment</p> |


Geographical Presence

Total:
1,517 FTEs

Egypt
1,146 FTE
63% revenue

KSA
308 FTE
33% revenue

WECA & Others
63 FTE
3% revenue



Cairo

Riyadh

Nairobi

- Giza's market share in Egypt is estimated at ~7% in 2021
- STC and SEC are Giza's two largest customers in KSA

Verticals, Sectors and Partners

Core

Telecom & ICT

Energy & Utilities

Government

Manufacturing

Oil & Gas

Real Estate

Giza acquisition fits well with solutions' M&A strategy

The transaction completed on the 3rd of October 2022

Transaction details

- **Acquisition of 88.19% in Giza Systems and 34% in its Saudi subsidiary (Giza Arabia - the remaining 66% share capital in Giza Arabia are already owned by Giza Systems)**
- **Balance of 11.81% in Giza** owned by the retained Giza management team
- The **purchase consideration was SAR 466 mn** of which **SAR 160 mn** were identified as **intangible assets** and **SAR 193 mn** was recognized as **goodwill**
- **Critical personnel will be locked in**

Strategic Rationale

- **Good strategic fit - Giza ticks two boxes for solutions:**
 1. Strong presence in new geography: Egypt
 2. It brings strong expertise in application integration, development and management, allowing solutions to widen its offering and strengthen its one-stop-shop proposition
- **Giza will continue to be run separately in the short term**
 - Giza will remain a separate legal and operational entity with a distinct market positioning in Egypt

Transaction timeline

- **4th April 2022**
Tadawul announcement about the signing of a binding offer for acquiring 89.49% of Giza Systems and 34% of its subsidiary Giza Arabia
- **4th October 2022**
Tadawul announcement about the completion of Giza Systems and Giza Arabia acquisition on the 3rd of October 2022

Financial Rationale

- Giza was acquired at an attractive EBITDA multiple of 6.6x compared to 20.9x for solutions
- solutions expects to realize revenue synergies through project cross-selling and up-selling and from new client targeting and acquisition on the back of a stronger portfolio

ccc Transaction Overview

ccc was established as a captive call center company for stc but has grown to acquire significant B2B business

Background



Founded in 2011 as a JV between stc Group and the US-based global company STARTEK, a conglomerate CX mgmt. company



Biggest customer experience management provider in KSA handling over 35 mn annual interactions



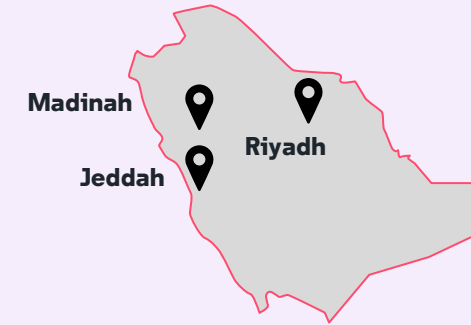
Offerings mainly Customer Care BPO, staffing (MPO) for mostly large clients in KSA; nascent shared services, consulting, other specialized services

Presence & reach

5,823 FTEs

84% Saudization
35% female

25+ Clients



30mn+ calls answered

320k+ customers retained

8+ languages

Transaction Details and Rationale

Transaction details:

- The transaction to acquire of 100% in Contact Center Company (ccc) was initially announced on the 10th of November 2022 and is expected to complete in 2Q 2023.
- The acquisition will be based on 100% Enterprise Value amounting to SAR 450 million
- solutions Intends to fund the acquisition from its own resources

Good strategic fit - ccc ticks three boxes for solutions:

- ccc Serves solutions' Business Process Outsourcing (BPO) aspirations by expanding its portfolio in scope - beyond MPO and HR - and scale
- It completes solutions' coverage of ICT customer journey by enabling end-to-end offerings from design to operations
- It delivers accelerated revenue growth and fulfils the inorganic growth agenda

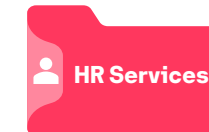
Services Portfolio



- Customer care
- Telesales
- Social media management
- Retention & loyalty management



- Business intelligence
- Speech analytics
- Big data
- Cyber security
- Work from home
- Omni channel



- Staff augmentation
- Recruitment
- Training
- On-boarding
- Payroll processing



- Finance
- Accounting
- Business process engineering



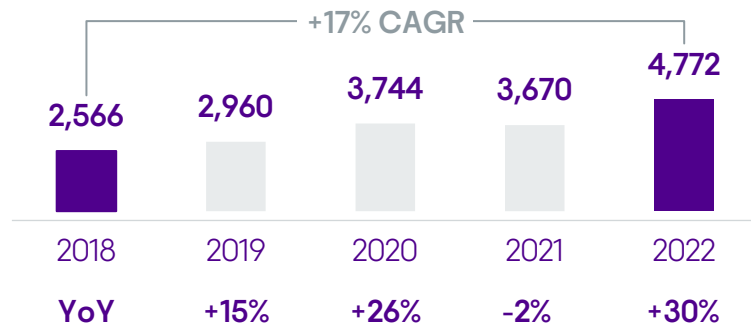
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Historical financial
performance

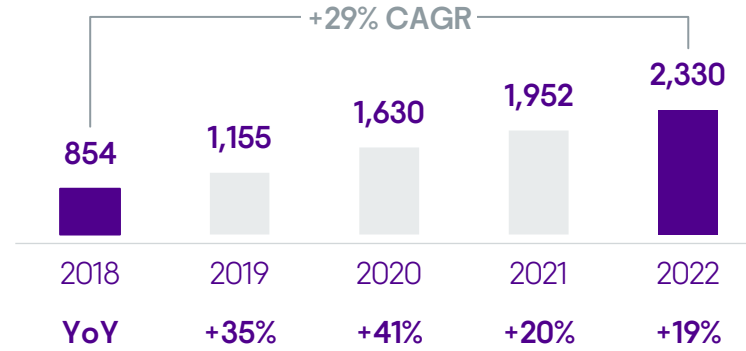
Historical financial performance

Growth across all business segments and channels during the last five years...

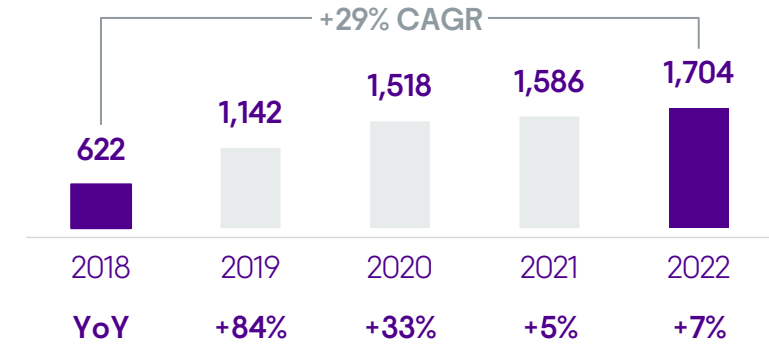
Core ICT Services Revenue Trend (SARmn)



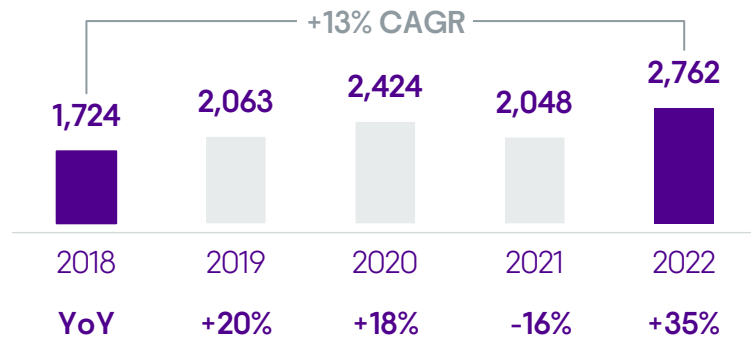
IT Managed & Operational Services Revenue Trend (SARmn)



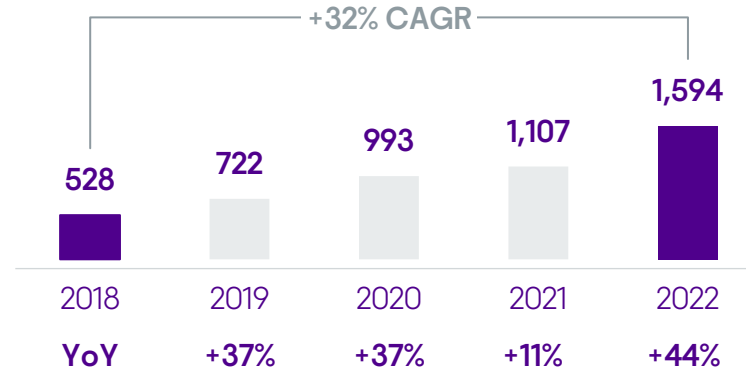
Digital Services Revenue Trend (SARmn)



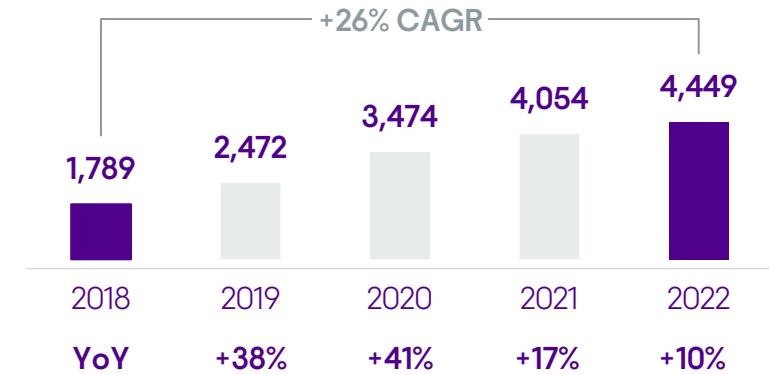
Revenue from stc (SARmn)



Revenue from Private Sector (SARmn)



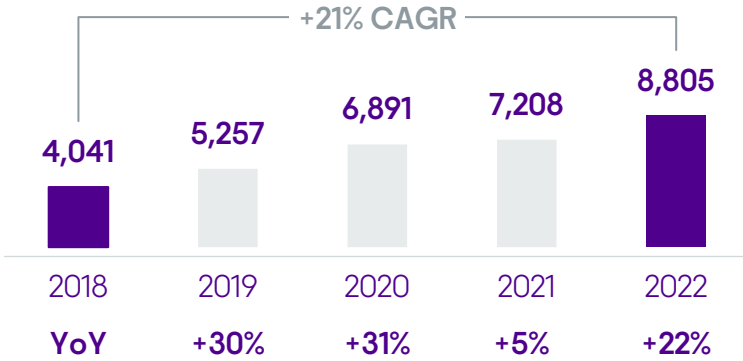
Revenue from Government (SARmn)



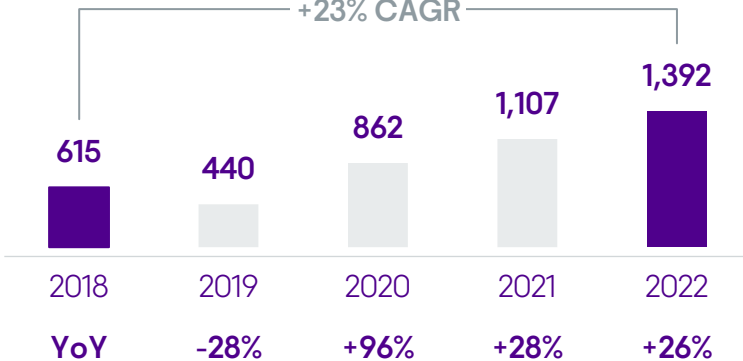
Historical financial performance

...resulted in consistent growth and solid profitability

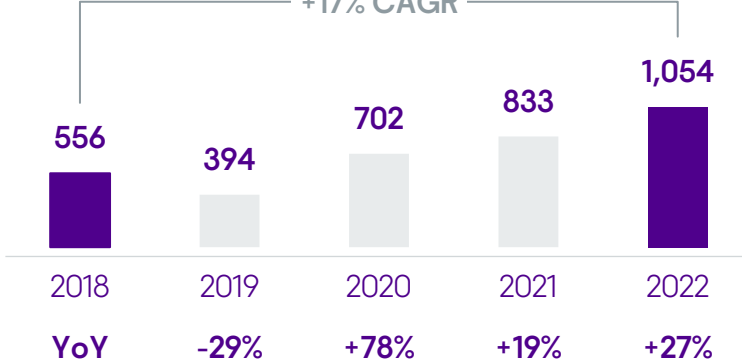
Revenue Trend (SARmn)



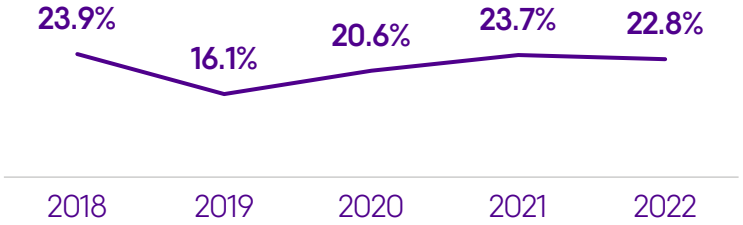
EBITDA Trend (SARmn)



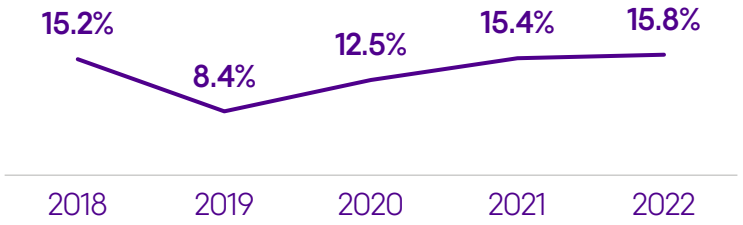
Net Profit Trend (SARmn)



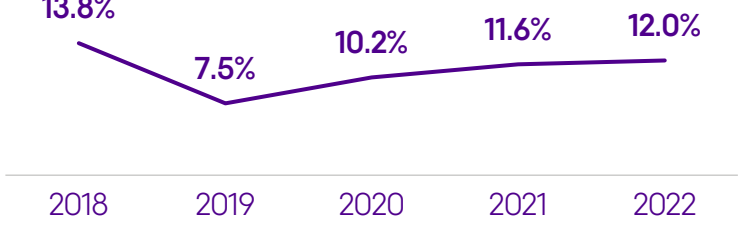
Gross Profit Margin (%)



EBITDA Margin (%)



Net Profit Margin (%)





Appendix



a FY 2021 delivery on
IPO promises

FY 2021- Delivering on key IPO promises

solutions delivered against guidance provided during the IPO process

IPO Key Messages & FY21 Guidance

Revenue

Group revenue growth to be broadly in line with market growth of **mid-to-high single-digit** from 2021 onwards



Core ICT Services revenue growth of **mid single-digit**



Mid-teens revenue growth in IT Managed and Operational Services



Digital Services revenue growth of **low single-digit**



Profitability

~75 bps improvement in EBITDA Margin over the Medium Term



Capex

Capex to normalise back to historical levels after a spike in 2020 (**2.5% of revenue from 2021 onwards**)



FY 2021 Delivery

Group revenue growth of **+13% YoY**

Core ICT Services revenue growth of **+13% YoY**

IT Managed and Operational Services revenue growth of **+20% YoY**

Digital Services revenue growth of **+7% YoY**

EBITDA margin improved from 12.5% in 1Q 2020 to **14.2%**, +165 bps YoY

Capex intensity ratio down to **2.0%**, from 7.8% in 2020

b Awards

Awards

Awards, recognition, and certifications



tmforum
Implementation
Conformance Certificate
eTOM 20.5



IPSC 6th INTERNATIONAL SUPPLY CHAIN CONFERENCE ATLANTA 2021
Blue Ocean Award for supply
chain management from
IPSC



procurement
MIDDLE EAST
Procurement Digital
Transformation



MIDDLE EAST & NORTH AFRICA STEVIE AWARDS
جوائز ستيفي الشرق الأوسط وشمال أفريقيا
Two Stevie Awards: Gold and
Bronze



Saudi TRADE FINANCE summit
solutions' CFO awarded CFO
of the Year 2021 (Public
Sector)



الموارد البشرية والتنمية الاجتماعية
Best Work Environment for
Women



servicenow
IT and Customer Services
Digitization



tahawultech.com
CISO 50
AWARDS 2021
CISO 50 and Future Security
Awards 2021 based on efforts
in security transformation
from Tahawultech.com



Great Place To Work Certified
DEC 2020-DEC 2022
KSA
Certified Great Place to
Work for high-trust, high-
performing workplace
culture



TIER OPERATIONS
Solutions by STC
STCS Damman7 Data Center
Expires 11 November 2024
UPTIME INSTITUTE CERTIFIED
GOLD
Certified Damman7DC Gold
by Uptime Institute



First place for quarterly
performance in most video
games from GAME MODE



GCC GOV HR AWARDS
26th October 2021 | Dubai, UAE
Outstanding Change
Management Strategy Award
from the GCC GOV HR
Awards



PMI Project Management Institute
Top 3 nominees for project
of the year from the Project
Management Institute



IAOP The Association with
Collaboration at its Core.
Appointed as Corporate
Members of the IAOP



Highly Commended Honour
at GLOTEL AWARDS 2021

C IR Contact

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Thank You