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Arabian Internet and Communications Services Company (solutions by stc) announces the IPO Final Offer Price

Riyadh, 16 September 2021 – Arabian Internet and Communications Services Company (“**solutions by stc**” or “**The Company**”), the leading ICT services provider in Saudi Arabia (“**KSA**”) along with HSBC Saudi Arabia, Morgan Stanley Saudi Arabia and SNB Capital Company, as joint financial advisors, announce the successful completion of its book-building process and the pricing and final offer price for its Initial Public Offering (the “**IPO**” or the “**Offering**”).

The final offer price (the “**Final Offer Price**”) for the Offering has been set at SAR 151 per Share, implying a market capitalization on admission of SAR 18.1 billion (USD 4.8 billion).

The IPO order book was 130 times oversubscribed with the book-building process generating an order book of SAR 471 billion.

Olayan Alwetaid, Group Chief Executive Office at stc, said: “solutions by stc is one of the key subsidiaries of the group and we are delighted that its offering has been met with substantial local and international institutional investors interest. It is a testament to the investors’ confidence in Saudi Arabia, its growing ICT market and in the stc group’s brand value, strategy and technological leadership. With this landmark offering of the solutions by stc, we as stc group reinforce our vision of being the world-class digital leader providing innovative services and platforms to our customers and enabling the digital transformation of the MENA region”.

Omer Alnomany, Chief Executive Officer at solutions by stc, said: “solutions by stc has evolved into the Kingdom’s leading enabler of digital transformation over the past 25 years. We look forward to welcoming investors to participate in solutions’ growth story.”

He added: “We are committed to ensuring we meet investor expectations as we continue to progress our ambitious growth strategy, supported by consistent growth, strong profitability, operational expertise and market-leading capabilities.”

The retail subscription period is scheduled to commence on Sunday, 19 September 2021 and ends on Tuesday, 21 September 2021.

On 28 June 2021, the Capital Market Authority (“**CMA**”) approved the Company’s application for an initial public offering of 24,000,000 Shares (“**Offer Shares**”), representing 20% of solutions by stc’s capital, by way of a sale of existing Shares by the Saudi Telecom Company “stc” and Telecom Commercial Investment Company Limited (a subsidiary of stc)(collectively, the “**Selling Shareholders**”).

Offering Details:

- The Final Offer Price for the Offering has been set at SAR 151 per share, implying a market capitalization at listing of SAR 18.1 billion
- The Total Offering size is SAR 3,624 million (USD 966 million)
- The Offering is comprised of 24,000,000 existing Shares to be sold by the current shareholders
- 100% of the Offer Shares have been provisionally allocated to the institutional investors having participated in the book building process (“**Institutional Investors**”). This may be reduced to twenty-one million, six hundred thousand (21,600,000) Offer Shares, representing 90% of the total Offer Shares depending on the level of demand by Individual Investors (as defined below). The final number of Offer Shares allocated to the Institutional Investors will be adjusted accordingly based on subscription from Individual Investors (as detailed below).
- - Immediately following listing, the Company is expected to have a free float of 20% of the Shares
- With respect to the Offering, the Company appointed HSBC Saudi Arabia, Morgan Stanley Saudi Arabia and SNB Capital as financial advisors, underwriters and bookrunners (together, the “**Bookrunners**” or “**Financial Advisors**”). The Company also appointed HSBC Saudi Arabia to act as Lead Manager
- The Saudi British Bank (SABB), Saudi National Bank (SNB), Al Rajhi Bank, Riyadh Bank, Alinma Bank and Bank Albilad have been appointed as receiving entities (collectively, the “**Receiving Entities**”) for the Individual Investors tranche
- Individual Investors will be able to subscribe for shares in the retail offering between Sunday 19 September 2021 and Tuesday 21 September 2021 at the Final Offer Price of SAR 151 per Offer Share through the Receiving Entities
- Individual Investors: this tranche comprises Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi, who can subscribe under their names for her own benefit, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, in addition to any non-Saudi natural person who is resident in the Kingdom or any GCC natural persons, provided they have a bank account with one of the Receiving Entities and are allowed to open an investment account (collectively, the “**Individual Investors**” and each an “**Individual Investor**,” and together with Participating Parties “**Subscribers**”).

Key Expected Offering Timeline:

Event	Date
Subscription Period for Individual Investors	19 September 2021 – 21 September 2021
Announcement of Final Offer Shares Allotment	On or before 27 September 2021
Refund of Excess Subscription Amounts (if any)	On or before 29 September 2021
Expected Start Date of Trading in the Saudi Exchange	Trading of the Company's Shares in the Saudi Exchange is expected to commence after all relevant regulatory requirements are satisfied. Trading will be announced through Saudi Exchange website (www.saudiexchange.sa).

For more information on the prospectus, please visit the Capital Market Authority website www.cma.org.sa , and solutions by stc website <https://solutions.com.sa/ipo/>.

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About solutions by stc

Arabian Internet and Communications Services Company (solutions by stc), a 100% owned subsidiary of stc, is the Kingdom's leading enabler of digital transformation and the number one IT service provider in the Kingdom. It aims to support the public and private sectors' transition into a new digital age by providing a set of integrated technology solutions across the ICT supply chain.

solutions by stc provides clients with a broad portfolio that enhance their day-to-day operations. Its core ICT services are designed to enable, manage and scale businesses. solutions by stc **enable** clients by offering system integration and connectivity & internet services, **manage** with managed services and business outsourcing, and scale by providing Cloud Solutions, digital services and cybersecurity.

It launched its operations in 1996 and to date has serviced almost 24,000 clients across 35 cities in Saudi Arabia and in key sectors, including financial services, healthcare and education. solutions by stc has approximately 1500 employees with over 800 certified on key technologies and domains.

As of end of December 2018, solutions by stc has established a 13% market-leading share of KSA's ICT services market, registering a net revenue growth of 30.6% CAGR across all service categories from 2018-2020, and an attractive net profit growth of 12.3% CAGR for the same period.

For more information, visit <https://solutions.com.sa/ipo/>

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This announcement is not an offer for sale of securities of the Company, directly or indirectly, in or into the United States. The Offer Shares may not be offered or sold in the United States unless registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or offered on a transaction exempt from, or not subject to, the registration requirements of the Securities Act. The Company has not registered and

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does not intend to register any portion of the Offer Shares under the Securities Act or the laws of any state in the United States or to conduct a public offering of any securities in the United States. Copies of this announcement are not being, and may not be, distributed, forwarded or otherwise sent, directly or indirectly, in or into the United States.

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This announcement is only addressed to and directed at (a) persons in member states of the European Economic Area who are “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation EU**”); (b) persons in the United Kingdom who are “qualified investors” within the meaning of Article 2 of Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the European Union Withdrawal Act 2018 (“**UK Prospectus Regulation**”) who are: (i) “investment professionals” as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Order**”); or (ii) entities falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order; and (c) persons to whom it can otherwise lawfully be distributed (all such persons together being referred to as “Relevant Persons”). This communication and any investment activity to which it relates will only be engaged in with Relevant Persons and it should not be acted upon or relied on by anyone other than a Relevant Person.

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This announcement is not an offer document for the purposes of the Rules of the OSCO Rules and should not be construed as such. The CMA and the Saudi Exchange do not take any responsibility for the contents of this announcement, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this announcement.

This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “aim”, “anticipate”, “believe”, “can”, “consider”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “ought to”, “potential”, “plan”, “projection”, “seek”, “should”, “will”, “would”, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth or strategies. Many factors could cause the actual results to differ materially from those expressed or implied by any such forward-looking statements, including, among other things, risks specifically related to the Company and its operations, the development of global economic and industry conditions, and the impact of economic, political and social developments in Saudi Arabia. These factors will be described in more detail in the Prospectus. Forward-looking statements speak only as of the date they are made. Each of the Company, the Financial Advisors and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

There is no guarantee that the Offering will occur and you should not base your financial decisions on the Company’s intentions in relation to the Offering at this stage. This announcement does not constitute a recommendation concerning the Offering. Acquiring Offer Shares to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering an investment should consult an investment advisor or an authorized person specializing in advising on such investments.

The Financial Advisors are acting exclusively for the Company and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

The contents of this announcement have been prepared by and are the sole responsibility of the Company. None of the Financial Advisors or any of their affiliates or respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offering, each of the Financial Advisors and any of their affiliates may take up a portion of the Offer Shares in connection with the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Offer Shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in

the Prospectus, once published, to the Company's shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Financial Advisors and any of their affiliates acting in such capacity. In addition, the Financial Advisors and any of their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Financial Advisors and any of their affiliates may from time to time acquire, hold or dispose of securities. None of the Financial Advisors intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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