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The Public Investment Fund and Saudi Telecom Company (stc) announce the final offer price for the secondary public offering at SAR 100 per share

Riyadh, Saudi Arabia – 10 December 2021 – The Public Investment Fund (“**PIF**” or the “**Selling Shareholder**”) and Saudi Telecom Company (“**stc**” or the “**Company**”), Saudi Arabia’s leading ICT provider whose ordinary shares are listed on the Saudi Stock Exchange, announce the final offer price for the secondary public offering (the “**Offering**”) after concluding the bookbuilding process for institutional investors.

OFFERING HIGHLIGHTS

- 120,000,000 shares were offered, representing 6% of the company's share capital, 90% of which were allocated to institutional investors and 10% to retail investors.
- The final offer price for both institutional and retail investors was set at SAR 100 per share based on the results of the bookbuilding process, implying a discount of 9.1% to the closing share price on Thursday 9 December 2021.
- The Offering was successfully oversubscribed with strong demand from both local and international institutional investors.
- 12,000,000 shares offered to retail investors were fully covered and represent 10% of the Offer Shares, with more than 231 thousand participating subscribers.
- All shares offered to retail investors will be allocated, with a minimum of 10 shares for each subscriber and the remaining shares will be allocated on a pro-rata basis with an average allocation factor of about 84.11%
- The remaining 108,000,000 Offer Shares will be allocated to institutional investors, in consultation with the Joint Bookrunners.

SETTLEMENT

Settlement for the institutional tranche will be executed through off-market Negotiated Trades in accordance with the Negotiated Trades Framework issued by the Saudi Exchange on Sunday 12 December 2021. The Offer Shares will be directly deposited to accounts of retail investors by Edaa on Sunday 12 December 2021 before market open.

Surplus of subscription amounts will be refunded to retail investors, which is the difference between the price at which retail investors subscribed (SAR 116 per share) and the final offer price which was set at SAR 100 per share, in addition to surplus amounts for any shares that were not allocated to retail investors, if any.

Goldman Sachs Saudi Arabia, HSBC Saudi Arabia, Morgan Stanley Saudi Arabia and SNB Capital are acting as Joint Financial Advisors for the Company and Joint Global Coordinators for the Company and the Selling Shareholder and, together with Citigroup Saudi Arabia and Credit Suisse Saudi Arabia, as Joint Bookrunners for the Company and Selling Shareholder (the “**JBRs**”).

SNB Capital is acting as the Lead Manager of the Offering. Al Rajhi Bank, Riyad Bank and SNB are acting as the Receiving Banks for the Offering (the “**Receiving Banks**”).

FOR FURTHER INFORMATION

Transaction microsite:

<https://www.stc.com.sa/wps/wcm/connect/english/investor/secondary-public-offering>

END

CONTACT

Investor Relations	Media Relations
stc Abdulaziz A. Abanami aaabanami@stc.com.sa	stc Wejdan F. Alhawtan walhawtan@stc.com.sa
Finsbury Glover Hering Lukasz Gwozdz lukasz.gwozdz@fgh.com	

COMPANY OVERVIEW

stc is a pioneering digital champion that offers a variety of ICT solutions and digital services in several categories, including telecommunication, IT, financial technology, digital media, cybersecurity, and other advanced digital solutions, leading the digital transformation nationally and regionally. The Company divides its business operations in the Kingdom of Saudi Arabia across three different business units: Consumer Business Unit, the Enterprise Business Unit and the Wholesale Business Unit. stc additionally provides mobile telecommunications services in Bahrain and Kuwait through its subsidiaries. The Company is also a strategic partner to the Government of the Kingdom of Saudi Arabia and a service provider of choice for delivering Vision 2030.

ABOUT THE PUBLIC INVESTMENT FUND

PIF is one of the largest and most impactful sovereign wealth funds in the world, enabling the creation of new sectors and opportunities that will shape the future global economy, while driving the economic transformation of Saudi Arabia. PIF has built a world-class, diversified portfolio through investments in attractive, long-term opportunities across sectors and asset classes at both the domestic and international level.

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The shares which are the subject of the Offering (the “**Securities**”) have not been and will not be registered under the US Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the US Securities Act. The Company does not intend to make any public offering of the Securities in the United States. The Securities have not been approved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any proposed offering of the Securities. Any representation to the contrary is a criminal offence in the United States. In the United States, this announcement is directed only at persons who are qualified institutional buyers, as defined in Rule 144A of the US Securities Act.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy the Securities or any other security and shall not constitute an offer, solicitation or sale in the United States or in any jurisdiction in which, or to any persons to whom, such offering, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction.

In member states of the European Economic Area (the “**EEA**”), this announcement and any offer of the Securities referred to herein in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Securities. Accordingly, any person making or intending to make an offer of the Securities in a member state may only do so in circumstances in which no obligation arises for the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation. The Company has not authorised and does not authorise the making of any offer of the Securities in circumstances in which an obligation arises for the Company to publish a prospectus for such offer. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended).

In the United Kingdom, this announcement and any offer of the Securities referred to herein in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of the Securities. Accordingly, any person making or intending to make an offer of Securities in the United Kingdom may only do so in circumstances in which no obligation arises for the Company to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation. The Company has not authorised and does not authorise the making of any offer of the Securities in circumstances in which an obligation arises for the Company to publish a prospectus for such offer. The expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This announcement does not constitute an invitation or offer to underwrite, subscribe for or otherwise acquire or dispose of any securities nor is it intended to be an inducement to engage in investment activity for the purpose of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom, as amended (the “**FSMA**”).

This announcement has not been approved by the United Kingdom Financial Conduct Authority. This announcement is directed only at persons: (i) outside the United Kingdom; (ii) that have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (iii) falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order; or (iv) to whom this announcement may otherwise be directed without contravention of Section 21 of the Financial Services and Markets Act 2000 (all such persons together being referred to as “**relevant persons**”). This announcement must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates will only be available to relevant persons and will be engaged in only with relevant persons. The Securities are not being offered to the public in the United Kingdom.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the “**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, of form the basis for a decision, to invest in any securities of the Company.

This announcement is not an offer document for the purposes of the OSCO Rules and should not be construed as such. The CMA and the 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” with respect to the Company’s financial position, results of operations and business and certain of the Company’s plans, intentions, expectations, assumptions, goals and beliefs. These statements include all matters that are not historical fact and generally, but not always, may be identified by the use of words such as “believes”, “expects”, “are expected to”, “anticipates”, “intends”, “estimates”, “should”, “will”, “shall”, “may”, “is likely to”, “plans” or similar expressions, including variations and the negatives thereof or comparable terminology. 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

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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 shares to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering investment should consult an investment adviser or an authorised person specialising in advising on such investments as to the suitability of the Offering for the person concerned.

The JBRs are acting exclusively for the Company and the Selling Shareholder 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 and the Selling Shareholder 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.

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