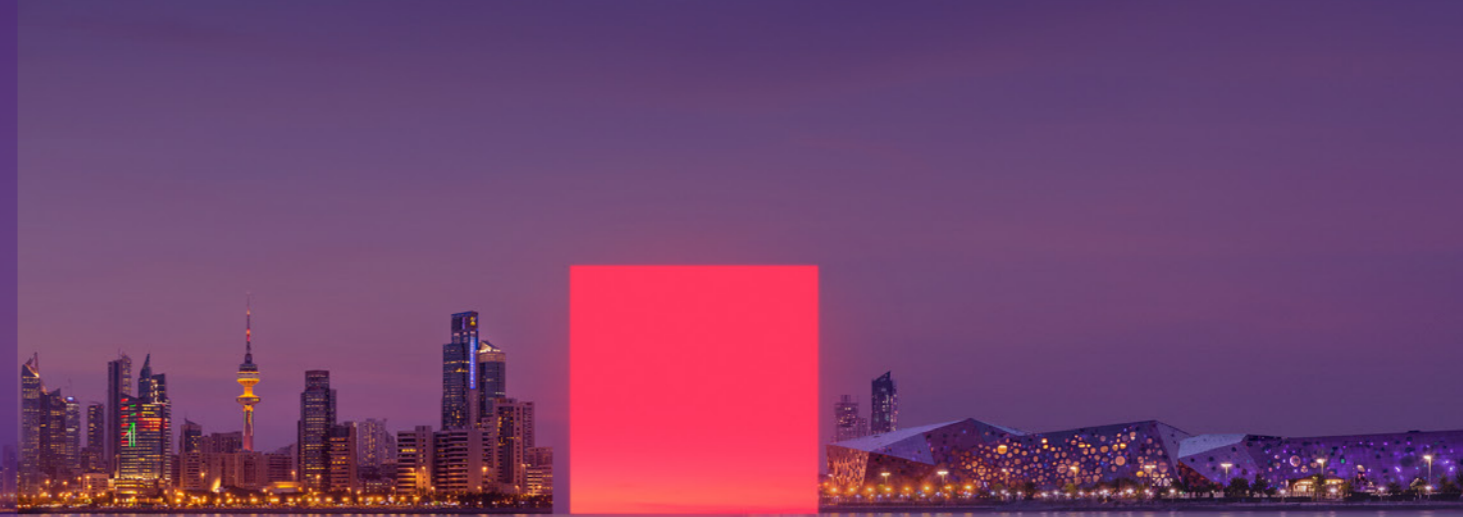


Business Review

An overview of stc's operational performance across Consumer, Enterprise, and Technology, highlighting key initiatives, innovation, and digital transformation that reinforce market leadership and long-term growth.



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Consumer Segment



Throughout 2025, stc's consumer segment delivered robust performance, reinforcing its leadership in Kuwait's highly competitive telecommunications market. The segment achieved notable results across multiple areas, reflecting stc's continued commitment to innovation, customer-centricity, and digital excellence. The year was defined by stronger device margins, higher value-added service revenues, and enhanced customer engagement across all touchpoints.

The Consumer Segment's achievements underscore the segment's ability to adapt quickly to shifting market dynamics while delivering greater value to customers and strengthening its competitive advantage. The below segment's strategic initiatives have created a solid foundation for further expansion and innovation.

1. Enhanced Digital Experience

Value-Added Services (VAS) also delivered consistent growth, led by robust performance in e-voucher revenues, which continued to rise as digital demand accelerated.

Baity 5G supports stc's fixed-mobile convergence approach by expanding beyond mobile services into home connectivity, strengthening customer stickiness, reducing churn, and increasing lifetime value within the consumer segment.

Meanwhile, the Mobile Virtual Network Operator (MVNO) business exceeded expectations, demonstrating stc's expanding influence in the market and its ability to reach new customer segments through flexible and competitive offerings.



2. Key Projects and Partnerships

In 2025, stc strengthened its market presence through strategic partnerships and the launch of innovative customer engagement programs.

- Collaborations with Boubyan Bank and Commercial Bank of Kuwait's youth segment, YOU, opened new channels for customer interaction and reinforced stc's appeal among younger demographics.
- A major milestone was the enhancement of the qitaf loyalty program, delivering a fully upgraded digital experience across all channels. Earning and redeeming points became faster, simpler, and more rewarding through continuous improvements to the mystc KW app and website. Customers now benefit from smoother journeys, instant redemptions, and enhanced visibility of their rewards.
- At the same time, stc expanded the qitaf ecosystem through a growing network of partners across retail, lifestyle, dining, entertainment, and digital services, making qitaf Kuwait's most valuable and rewarding loyalty program. These enhancements strengthened customer loyalty, convenience, and everyday engagement.



3. Innovation and Digitization

- stc maintained its leadership in digital innovation through continued investment in next-generation technologies and customer platforms.
- The deployment of 5G Advanced reinforced stc's position at the forefront of connectivity, enabling customers to enjoy faster, more reliable services across digital applications.
- In parallel, stc rolled out multiple app updates aimed at improving usability, accessibility, and overall user satisfaction, ensuring a smoother, more personalized experience across all digital touchpoints.



Performance Overview

Compared to 2024, the consumer segment demonstrated robust financial and operational growth, outperforming market benchmarks and maintaining its leadership across key performance indicators. The segment sustained the lowest churn rate in the Postpaid Voice category, a clear reflection of customer satisfaction and loyalty, while also maintaining a solid subscriber base, supported by enhanced digital channels, differentiated value propositions, and continued investment in network quality and customer experience.

The remarkable growth in device margins, supported by strong zeed performance, was the main achievement in 2025. This diversification contributed to enhancing profitability and reinforcing stc's strong retail presence.

Performance metrics and KPIs from Corporate Strategy highlighted sustained momentum across revenue streams, reaffirming B2C's substantial contribution to stc's overall growth and its critical role in driving the company's consumer market leadership.

Enhancing Customer Experience

Given that customer experience remained a top priority for stc's consumer segment in 2025, a dedicated roaming taskforce was launched to improve the quality of international roaming services and ensure seamless connectivity for travelers. stc now has the biggest roaming coverage in Kuwait and the widest roaming footprint in the GCC: as it has a roaming footprint in 300 operators across 171 countries worldwide. In the meantime, stc's VoLTE roaming service is fully available in the top 30 visited countries where VoLTE roaming is available.

The introduction of Apple Pay as a new payment option on the mystc KW app added convenience and encouraged higher digital engagement.

During the second half of 2025, we delivered significant improvements across key Customer Experience (CEX) KPIs, reflecting tangible enhancements in service quality and network performance:

- **Service Quality:** Overall latency was reduced from 175 ms to 94 ms, delivering a faster and more responsive user experience.
- **Network Reliability:** Attach failure rate was eliminated, improving from 0.6% to 0%.
- **Average Latch Time:** Average delay was reduced from 13 minutes to 6 minutes, accelerating service access.
- **Customer Complaints:** Roaming-related complaints decreased by 80%, indicating a marked improvement in customer satisfaction.
- **Attach Rate:** Achieved a 100% attach success rate, ensuring seamless network access.



Awards and Recognition

- stc was recognized as the Global Most Valuable Partner for Honor, underscoring the company's excellence in partnership and retail performance.
- stc received a Silver Smarties Award at the MMA Smarties MENA Awards for its innovative eVouchers campaign, underscoring the company's strength in digital marketing and customer engagement.

A Vision Toward 2026 and Beyond

In 2026, stc will continue strengthening its consumer strategy by enhancing personalization and expanding its digital ecosystem. These efforts aim to drive higher engagement, loyalty, and long-term customer value.

- stc's consumer segment focuses on bracing customer engagement and evolving its offerings to meet the needs of a diverse and rapidly growing customer base. A key strategic priority will be the introduction of segmented and targeted propositions, supported by advanced data analytics, to deliver more relevant and personalized experiences to each customer group.
- The segment will also focus on enhancing stc's digital platforms, investing in new technologies and capabilities to provide more seamless, efficient, and user-friendly self-service journeys. Improving digital accessibility and convenience will remain essential to sustaining engagement across all touchpoints.
- Another key area of focus will be enriching the qitaf loyalty program, expanding its partner network, and introducing more valuable and exclusive rewards to strengthen loyalty and everyday interaction with the brand.
- In parallel, stc aims to increase service diversity across its product portfolio, ensuring that evolving customer needs are met through a wider range of innovative and relevant offerings.



Through these priorities, stc will continue to build on its strong B2C momentum, reinforcing customer loyalty and enhancing value creation throughout 2026.



Enterprise Segment

In 2025, stc's enterprise segment, powered by its subsidiaries, solutions by stc and e-Portal Holding Company, continued to strengthen its position as a key enabler of Kuwait's digital transformation. Through strategic partnerships, technological innovation, and a customer-focused approach, the segment reinforced stc's market leadership and its role as a trusted partner for enterprise and government clients.

1. solutions by stc

In 2025, solutions by stc delivered another year of impressive performance by expanding its service portfolio and enhancing connectivity infrastructure across Wholesale, Connectivity, and Digital Solutions.

1. Wholesale (Fixed):

- stc won new and renewed multiple high-value contracts and projects, enhancing connectivity services for all its clients. This includes the finalization of the 2Africa CLS Agreement and a 10x10G IRU deal with Center3 for stc Kuwait's IP-Transit services, reinforcing stc Kuwait's international capacity and network reliability.

enterprise-class 5G features. These capabilities open the door to premium B2B services including tiered connectivity, edge computing, and AI-enabled operations, while reinforcing stc Kuwait's competitive edge against Fiber and earlier 5G-SA solutions.

- This year, solutions by stc also revamped its Dedicated Data Access (DDA) and Dedicated Internet Access (DIA) solutions, further strengthening the company's ability to deliver secure, high-performance connectivity tailored to business needs.

2. Connectivity:

- Kuwait remained at the forefront of innovation, being among the first countries worldwide to adopt 5G Advanced. In June 2025, stc Kuwait launched its 5G Advanced network, delivering faster speeds, lower latency and greater reliability, unlocking new possibilities for enterprises and government entities. The 5G Advanced network extends reliable high-performance coverage into indoor and industrial environments that were previously difficult to serve. It enables a superior level of enterprise-grade Fixed Wireless Access (FWA), empowering seamless real-time video surveillance, Fleet and IoT management, in addition to highly secure campus deployments, all backed by advanced

3. Digital Solutions:

- solutions by stc introduced its Mobility e-Store, a first-of-its-kind platform designed to digitize and streamline business customer acquisition and service. The company also enhanced digital billing and invoice accessibility through My Business, stc's self-service platform, further promoting operational efficiency and sustainability while enabling an enhanced digital experience.



Among the more significant operational milestones for the year for stc Kuwait's enterprise segment, was the early preparation and deployment of the landmark Smart Meters project with the Ministry of Electricity & Water (MEW), which underscores the scale and national importance of this initiative.

Performance Highlights & Customer Experience

Throughout 2025, solutions by stc delivered good operational and financial performance despite an increasingly competitive market landscape, supported by growth in mobility, disciplined fiscal management, and strategic portfolio expansion across key sectors. The strategic focus of solutions by stc on profitability through its partnerships with the enterprise and government segment and closer alignment with stc Kuwait and its subsidiaries, ensure greater synergy and operational efficiency across the group.

In parallel, stc focused on elevating customer experience by enhancing its digital channels, introducing new automation tools, and improving service response times. The integration of My Business into stc's popular consumer app mystic KW and enhancements to the e-Store for business further simplified account management and online purchases, creating greater efficiency and value for enterprise customers.

Awards & Recognitions

solutions by stc received the "Best Customer Experience Digital Platform for B2B" award at the Global Business Outlook Awards 2025 in Dubai, UAE.

This recognition highlighted the success of the My Business self-service platform and its contribution to operational efficiency and superior customer experience across the enterprise sector.



Strategic Outlook for 2026

Looking ahead, solutions by stc will continue to fast-track its growth agenda through three clear priorities:

- Explore potential opportunities and strategic partnerships to expand its enterprise client base and strengthen its position as a trusted one-stop solutions partner across Kuwait and the wider region.
- Enhance synergies with subsidiaries to develop integrated innovative solutions that enhance client engagement and unlock new revenue streams through effective cross-selling.
- Explore new business verticals in high-potential areas to further diversify its portfolio and sustain profitability, ensuring that its enterprise customers benefit from the most recent innovative and future-ready solutions.

Through these priorities, solutions by stc will continue driving digital enablement and innovation, reinforcing stc's position as a leading provider of next-generation enterprise solutions.



e-Portal Holding Company

In 2025, e-Portal Holding Company strengthened its role as one of Kuwait's leading ICT transformation partners and Oracle solutions provider in Kuwait. During the year, the company engaged deeply with strategic government clients, particularly in the Education and Defense domains, and advanced its readiness for government-to-government (G2G) transformation programs, reinforcing its position as a trusted execution partner for mission-critical technology initiatives aligned with Kuwait's national digital agenda.

Together, e-Portal and JMT combine deep Oracle product expertise with strong local execution capabilities, positioning the Group as a trusted transformation partner for complex, mission-critical environments. Focused on cloud modernization and application transformation, e-Portal leverages Oracle Cloud Infrastructure (OCI) and Oracle SaaS solutions to enable organizations to migrate legacy workloads, enhance operational resilience, and accelerate digital innovation. This focus in Oracle offering enhances revenue visibility, improves predictability, and strengthens long-term contract value across enterprise accounts. E-Portal also supports secure, scalable deployments across telecommunications, financial services, government entities, oil & gas, and large public sector institutions in Kuwait.

Backed by strategic alliances with global consulting firms, Tier 1 and Tier 2 service providers, and a broad ecosystem of specialist vendors, e-Portal delivers integrated, future-ready platforms that align with national digital transformation initiatives and sovereign cloud requirements. By enabling secure, scalable, and resilient digital platforms aligned with national transformation initiatives, e-Portal not only supports operational efficiency for customers but also strengthens stc's positioning as a comprehensive digital solutions provider, driving sustainable enterprise revenue growth and long-term shareholder value.

1. Strategic Sector Expansion

- e-Portal deepened its presence in high-value public-sector domains by securing major ICT mandates with government entities, including a large-scale Education Sector project covering Building Management Systems, Smart Traffic & Parking, and ICT Systems.

2. Multi-Cloud & AI-Enablement

- In response to Kuwait's accelerating shift toward hyperscaler-based cloud adoption, e-Portal strengthened its multi-cloud delivery capabilities and established a dedicated Multi-Cloud Center of Excellence (CoE) to support hybrid, scalable, and secure deployments for enterprise and public-sector clients.
- Enterprise AI Enablement: e-Portal strengthened its AI capabilities through an exclusive partnership with a global leader in enterprise artificial intelligence. This partnership enables the delivery of scalable, production-grade AI solutions across priority sectors, supporting predictive analytics, automation, and data-driven decision-making, and advancing AI-native operating models aligned with Kuwait's national digital agenda.

- Advanced Cybersecurity Services: e-Portal further enhanced its digital services portfolio through an exclusive partnership with BlueVoyant, a global cybersecurity leader. This collaboration expands e-Portal's capabilities in managed detection and response, threat intelligence, and cyber resilience, enabling enterprise and government customers to address evolving cyber risks while reinforcing stc Kuwait's leadership in secure, mission-critical digital infrastructure.

- e-Portal expanded its portfolio through a strategic partnership with Nile Secure Networks, an AI-driven networking company. This collaboration reduces total cost of ownership (TCO) for enterprise clients while improving performance, network automation, and security at scale, reinforcing stc's leadership in digital transformation and infrastructure modernization.

3. Digital Transformation

- To strengthen its digital transformation capabilities and enhance its relevance in supporting customers and the nation, e-Portal formed a dedicated Digital Transformation Department, enabling innovation and sustainable growth. The department promotes innovation and adoption of emerging technologies within organizations to enhance efficiency, service quality, and overall performance.

Performance Highlights & Customer Experience

Throughout 2025, e-Portal delivered strong business performance supported by growing demand for cloud, systems integration, and transformation-driven ICT services. Ranked among the top five ICT service providers in Kuwait, the company continued to scale competitively through its sector focus, technical capability, and partnership-led operating model. These developments collectively represent a step-change in the company's delivery scale, market positioning, and long-term ability to support Kuwait's national digital agenda.

Strategic Outlook for 2026

Looking ahead, e-Portal will continue advancing its transformation agenda, building on the solid foundation established in 2025 to drive further growth and operational excellence.

Through its expansion in the multi-cloud and AI-enabled service offerings, e-Portal is keen to deepen its engagements in healthcare, education, defense and public sector domains, and scale governance, planning, and project-delivery capability.

Going forward, e-Portal will focus on strengthening its operational model through platform-led services, improved stakeholder alignment, and enhanced service-outcome orientation; measuring success by improved project-delivery KPIs, client-satisfaction metrics and growth in strategic contracts.

Through these priorities, e-Portal will continue advancing digital enablement in Kuwait, reinforcing stc's leadership in next-generation enterprise solutions.

Technology Sector



Anchored by its core operational platforms, stc strengthened its position as one of Kuwait's leading digital enablers in 2025 through targeted enhancements to its network, IT architecture, and cybersecurity capabilities in line with its vision of delivering an exceptional customer experience and enabling national digital transformation. The year represented a defining stage in stc's technological evolution, marked by innovation, operational excellence, and readiness for the next generation of connectivity. In 2025, stc undertook several major strategic initiatives that defined the Technology segment's success. This was mainly reflected on the operational and financial performance of stc's Consumer and Enterprise segments in addition to elevating the company's core operations.

1. Transforming the Network for the Next Era

■ The Launch of 5G Advanced Network

In 2025, stc achieved a major milestone with the launch of the 5G Advanced network, representing the next evolution of 5G technology in Kuwait. The rollout delivered higher speeds, lower latency, and smarter, energy-efficient performance, setting a new standard for network quality and customer experience. The 5G Advanced launch also introduced enhanced voice and data capabilities over the 5G standalone network, reinforcing stc's leadership in delivering next-generation connectivity.

■ ISP Bandwidth Optimization Program

To further enhance service quality, stc implemented a comprehensive ISP bandwidth optimization program, combining new and expanded Content Delivery Network (CDN) deployments, OTT performance enhancements and ISP routes optimization. This program significantly improved internet browsing, streaming, gaming latency, and overall customer experience.

■ Boost National Roaming

stc also successfully deployed the Cell Broadcast Center (CBC) system in full compliance with CITRA requirements to enable nationwide emergency alerting across Kuwait. Additionally, the Company completed the integration and deployment of the National Roaming Proof of Concept (PoC) with local operators, enhancing coverage reliability and supporting site-sharing efficiency initiatives.



Fiber penetration reached 50% of the transmission network, establishing a stronger, more scalable infrastructure that will support Kuwait's future digital growth.

2. Building Smarter IT Foundations

Within the IT domain, stc focused on strengthening its digital backbone, modernizing systems, and integrating AI-driven and cloud-based solutions to enhance agility and operational efficiency.

■ The Content Delivery Network (CDN) integration into stc's digital architecture improved content delivery speed, reduced latency, and enhanced reliability, achieving over 70% content caching efficiency and significantly improving browsing and streaming quality.

■ A major milestone was the successful migration to Microsoft 365 Cloud, providing secure, flexible, and scalable collaboration tools that improve productivity and operational resilience through high availability and disaster recovery capabilities.

■ Another key achievement involved replacing the legacy provisioning system with a unified, scalable platform that simplified operations and

improved service reliability. The project increased batch order execution throughput, accelerated order fulfillment, and enhanced scalability for future product rollouts.

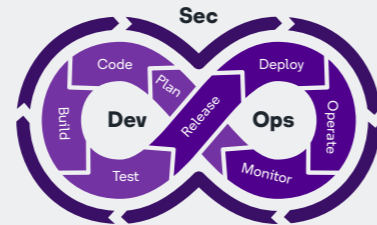
■ stc launched a new Campaign Management solution with a next-generation platform designed to strengthen customer engagement and loyalty through advanced targeting, real-time insights, and improved campaign execution.

■ A cloud-native microservices-based billing upgrade enhanced smart charging capabilities and ensured flexible, on-demand scaling to meet future business requirements.

3. Advancing Cybersecurity Resilience

Cybersecurity remained a top strategic priority for stc in 2025, with significant progress made toward embedding security across all layers of its operations.

- The company implemented fully automated vulnerability scanning and adopted a Risk-Based Vulnerability Management (RBVM) framework, enabling continuous detection and prioritization of threats based on business impact and asset criticality. This automation served to accelerate detection speed, reduced manual effort, and ensured timely remediation, enhancing overall cyber resilience.
- stc also operationalized its Enterprise Security Architecture (ESA) to align cybersecurity controls with business objectives and ensure measurable risk reduction.
- The Security Operations Center (SOC) achieved consistent maturity improvements throughout the year. The SOC modernization initiative replaced legacy agents across servers and endpoints, enabling unified analytics and faster incident response.
- In parallel, stc enhanced cybersecurity maturity and compliance with the Group GUARD 2.0 framework by advancing Zero Trust capabilities, including Extended Detection and Response (XDR), email protection, and network access control, further reinforcing stc's overall security posture.
- stc maintained PCI DSS v4.0.1 certification and achieved GSMA/NESAS certification, validating its leadership in telecom security.
- Finally, stc continued integrating DevSecOps practices within its software development lifecycle to ensure that every digital solution is secure-by-design from inception to deployment.



4. Enhancing Employee Experience

- The modernization of digital architecture significantly improved the responsiveness of stc's website and mobile applications. Collectively, these advancements strengthened core KPIs such as network speed and content latency, further reinforcing stc's leadership in network excellence and customer experience.
- Successful completion of the migration of all HQ and Call Center employees to new premises took place, ensuring full IT infrastructure readiness with the implementation of advanced AI-powered Wi-Fi and seamless network connectivity. The relocation was executed smoothly with zero business disruption throughout the transition.



Awards and Recognition

- stc received the "Excellence in Quality FWA User Experience" award during the 5th ELITE Fixed-Wireless Access (FWA) Club Meeting, organized by the SAMENA Telecommunications Council as part of GITEX Global 2025 in Dubai, UAE.
- stc was recognized by Opensignal as a 5G Rising Star in Gaming Experience, placing the company among the top five globally.

A Vision Toward 2026 and Beyond

Looking ahead, stc will continue to accelerate its technology evolution to support long-term growth and digital transformation. Key priorities include:

- **Accelerating AI adoption** to enhance customer engagement, drive operational excellence, and implement advanced self-healing capabilities.
- **Establishing a comprehensive Zero Trust framework** to ensure adaptive, secure access across all systems, users, and digital assets.
- **Strengthening cloud security posture** by implementing advanced protection measures to safeguard applications, data, and the overall cloud ecosystem.
- **Ensure regulatory compliance**, particularly with CITRA mandates, while addressing privacy and data sovereignty through a forward-looking, secure-by-design approach.
- **Advancing data analytics** across IT and Network domains to enable actionable insights, faster decision-making, and customer-centric innovation, driving superior experiences and new revenue opportunities.
- **Hosting OTT and hyperscaler services locally** to enhance customer experience, improve network performance, and create new monetization channels through localized digital ecosystems.
- **Modernizing and unifying the digital architecture** across all touchpoints to deliver a seamless, personalized, and omnichannel customer experience.

As stc moves toward 2026, the Technology sector remains a cornerstone of the company's transformation journey, driving innovation, operational excellence, and digital enablement across all business lines. Through sustained investment in next-generation infrastructure, advanced cybersecurity frameworks, and intelligent automation, stc is building a resilient, future-ready ecosystem that supports strategic growth and contributes to Kuwait's national digital agenda.