

Chairman's Statement

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Leadership is not reacting to change, but shaping the future with innovation and sustainable value.



Dr. Mahmoud Ahmed Abdulrahman
Chairman of the Board

Dear Shareholders,

In a year marked by success, innovation, and progress, I am pleased to present to you the Annual Report of Kuwait Telecommunications Company (stc) for the financial year ended 31 December 2025. This report reflects the Company's ongoing efforts to strengthen its leadership position in the telecom and ICT sectors. It also demonstrates stc's commitment to enhancing its corporate strategy to ensure sustainable growth in both financial and operational performance while delivering added value to shareholders and stakeholders.

With Kuwait's keen vision and growing adoption of advanced technologies and digital solutions to provide the latest innovations and technical services, stc launched its 5G Advanced network during the year, in line with the directives of the Communication and Information Technology Regulatory Authority (CITRA). This comes in support of Kuwait Vision 2035, which aims to enable digital transformation and deliver an enhanced digital experience to customers. stc continues to play a pivotal role in shaping the future of Kuwait's evolving telecom and ICT landscape by strengthening its advanced network capabilities, fostering innovation, and developing infrastructure that empowers individuals and businesses to reach their full potential.

Strategic Vision and Business Growth

In 2025, stc made tangible progress towards achieving its ambitious vision of leading Kuwait's digital revolution by focusing on transformation and integration in addition to providing innovative, advanced and customer-centric services. This year, stc continued to implement the key pillars of its corporate strategy, which serves as a practical framework translating the company's ambitions into clear priorities and measurable initiatives. This approach accelerated growth in the Consumer segment through more distinctive digital offerings and enhanced stc's capabilities in the Enterprise segment by delivering comprehensive solutions that integrate connectivity with cloud services, cybersecurity, and the Internet of Things (IoT).

Amid the global rise of artificial intelligence, stc implemented advanced AI-powered tools across its operations, encouraging employees to adopt these technologies in their daily tasks to improve performance and operational efficiency.

Driven by its corporate strategy, stc strengthened its market position through a number of strategic partnerships that support integrated technical solutions, talent empowerment, and best practice adoption. These efforts enabled the company to capture growth opportunities across key sectors, laying solid foundations for continued leadership and value creation for all stakeholders in the years ahead.

stc demonstrates strong adherence to the corporate governance framework required under Kuwaiti regulations and international best practices by implementing robust systems that promote transparency, accountability, and compliance. As a publicly listed company, stc commits to the Corporate Governance rules and regulations set by the Kuwait Capital Markets Authority, ensuring protection of shareholders' rights, transparent reporting, and effective oversight by its Board of Directors in alignment with regulatory changes and professional standards.

Looking ahead, the telecom and ICT sectors are expected to undergo accelerated transformation, driven by digital innovation and evolving customer needs. The Company's future focus will be on delivering integrated solutions that go beyond traditional connectivity to encompass digital platforms, cybersecurity, and cloud services, supporting a sustainable digital economy. In this context, stc seeks to adopt a more flexible and innovative business model to enhance operational efficiency and open new avenues for growth, thereby reinforcing its role as a key driver of economic and technological development in the future.

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A clear strategy, strong governance, and digital integration continue to position stc as a trusted partner in Kuwait's digital future.



With a balanced approach to innovation and ongoing enhancement of our digital infrastructure, stc strengthens service reliability and operational efficiency, turning industry challenges into tangible opportunities that create value for our customers and shareholders.

Driving Digital Transformation

The telecom sector continues to face intensifying challenges, from rising competition and regulatory changes to rapid technological shifts, all of which demand greater adaptability and innovation. In response, stc has reinforced its disciplined approach to investment and practical innovation, enhancing cost efficiency and service quality while maintaining readiness to seize growth opportunities.

By focusing on innovative services and integrated solutions as a core element of its portfolio, stc launched the 5G Advanced network, a major leap in smart connectivity that delivers higher speeds, lower latency, and greater network reliability, all supporting Kuwait's next stage of digital transformation.

In line with its vision to remain at the forefront of the telecom sector, stc's investments extended beyond network and infrastructure to include embedding artificial intelligence throughout its operational processes. This strategic focus aims to enhance internal performance, improve service quality, and strengthen data-driven decision-making. By utilizing AI platforms, the Company develops smart digital solutions that support comprehensive digital transformation and advances its vision for a more connected, sustainable, and innovative driven future.

Achieving Added Value for Shareholders Through Sustainable Growth

Grounded in a strategic vision that balances return with long-term value creation, stc remains focused on prudent, growth-oriented investments that drive operational efficiency, financial discipline, and liquidity strength.

The Company's focus on sustainable growth is reflected in its solid financial results for 2025, with total revenues reaching KD 342.5 million, EBITDA totaling KD 93.5 million with a margin of 27.3%, and net profit of KD 34.1 million, highlighting stc's sound financial foundation and ability to deliver consistent returns to shareholders. Shareholders' equity reached KD 239.6 million by the end of 2025, with a book value of 240 fils per share.

stc's subsidiaries, solutions by stc and e-Portal Holding Company played a key role in this success by offering innovative enterprise solutions that strengthened market share and maintained the Company's position as a trusted partner in the digital economy.

The Board of Directors has recommended a cash dividend of 38 fils per share, representing 38% of the nominal share value for FY-2025, subject to approval by the Annual General Assembly. This recommendation reflects the Board's confidence in stc's long-term sustainability, robust financial position, and consistent cash generation, while reaffirming its commitment to prioritizing shareholders and stakeholders.

In this regard, stc remains committed to a long-term financial policy that balances operational and financial performance, reinforcing its financial strength and leadership in telecommunications and digital transformation.

Corporate Governance and Sustainability

stc continues to demonstrate resilience amid ongoing changes in the Kuwaiti market and the telecom sector specifically. The Company remains firmly committed to applying the highest standards of corporate governance in line with the regulatory framework of the Capital Markets Authority (CMA), ensuring transparency, fairness,

and the protection of shareholders' rights. stc also strives to foster an efficient, responsible, and high-performance work environment.

As Kuwait's economy and society evolve, the company's role is increasingly vital in providing reliable connectivity and integrated digital solutions that improve quality of life, enable productivity, and drive economic growth.

In its commitment to professional values and corporate work ethics, and in a way that serves the interests of its shareholders and enhances their confidence in its performance, a comprehensive report on corporate governance is included later in this Annual Report, providing deeper insight into stc's governance framework and its unwavering commitment to excellence and accountability.



Through sound governance and financial discipline, we sustain our success and turn market challenges into opportunities for sustainable growth.

Sustainability remains a core pillar of stc's strategy for growth and development. The company strives to achieve a balance between financial performance and environmental and social responsibility by integrating Environmental, Social, and Governance (ESG) standards into its operations and strategies. This approach delivers value to all stakeholders, customers, employees, suppliers, society, and the environment.

This approach reflects the company's deep commitment to sustainability as a core element of its operations and services, enhancing transparency and corporate responsibility while supporting the achievement of the Sustainable Development Goals. Further details on stc's sustainability efforts can be found in the standalone Sustainability Report, which outlines the company's comprehensive approach to embedding sustainability principles across its operations and services.



Appreciation

On behalf of the Board of Directors, I extend my deepest gratitude and respect to His Highness Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah, Amir of Kuwait, His Highness Sheikh Sabah Al-Khaled Al-Sabah, Crown Prince, and His Highness Sheikh Ahmad Al-Abdullah Al-Sabah, Prime Minister, and his esteemed government for their continued support of Kuwait's development journey and their commitment to advancing the telecom sector, placing Kuwait among the world's leading digital nations.

I would also like to express our sincere appreciation to the regulatory authorities and relevant entities for their fruitful cooperation, and to our partners in both the public and private sectors who share our values of partnership and responsibility. A special thanks to our valued customers for their enduring trust, which continues to guide us in every endeavor.

Finally, I would like to convey my deepest appreciation to the executive management team and all members of the stc family for their dedication, hard work, and remarkable resilience throughout a year full of challenges. Their teamwork and commitment have strengthened our performance, service quality, and competitive position.

To all our shareholders and stakeholders, I reaffirm our commitment to executing our strategic plans with discipline and good governance, maintaining stc's path toward sustainable growth and positive impact on Kuwait's economy and society. With the progress achieved this year, we look to the future with optimism and responsibility, supported by our capabilities, partnerships, and national talent that embody an ever-growing success story.

Dr. Mahmoud Ahmed Abdulrahman

Chairman of the Board