

The logo for Saudi Telecom Company (stc) is displayed in a bold, white, lowercase sans-serif font in the top right corner of the page.

Connecting bridges to  
a digital tomorrow



**2025**  
annual report



Amir of the State of Kuwait  
**H.H. Sheikh Mishal Al-Ahmad  
Al-Jaber Al-Sabah**



The Crown Prince  
**H.H. Sheikh Sabah Khaled  
Al-Hamad Al-Sabah**

# Theme of the year

In today's rapidly evolving world, connectivity has become the cornerstone of digital transformation. As technology continues to blur the boundaries between physical and virtual spaces, redefining connectivity means more than just improving communication networks; it's about building bridges that enable digitization across every aspect of life and linking the present to the future through the power of digital integration. These bridges connect people, businesses, and systems, allowing information to flow seamlessly and innovation to thrive.

# Connecting bridges to a digital tomorrow

Evolving from a leading telecommunications provider into a multi-sector digital catalyst, stc is bridging industries, communities, and future opportunities through integrated platforms, high-speed networks, and intelligent technologies. As a digital enabler with stronger digital connections, stc aims to enhance efficiency and accessibility, as well as creating new opportunities for collaboration, inclusion, and sustainable growth.

As the digital ecosystems expand, so does stc's digital vision. Through next-generation connectivity, cloud solutions, IoT deployment, cybersecurity services, and smart infrastructure investments, stc is not only powering

communication but enabling new value chains across government, enterprise, and everyday life. Driven by the r.e.a.c.h. strategy, these advancements are demonstrated by long-term partnerships, a flexible business model, and continued expansion into high-growth verticals such as AI-powered applications, digital payments, and data-driven platforms.

Throughout 2025, stc strengthened its role as Kuwait's digital bridge-builder, facilitating connectivity within sectors such as energy, healthcare, education, and transportation, while empowering SMEs with scalable digital capabilities.

With the launch of the company's innovative consumer and enterprise platforms, stc played a pivotal role in supporting Kuwait's advancement toward becoming one of the region's leading digital economies, reinforcing its position as a key driver of national digital transformation.

stc also reinforced its contribution to national priorities by integrating sustainability, governance, and talent development within its innovation agenda. From local cloud hosting to public-private partnerships, stc continued to expand digital accessibility and nurture a future-ready workforce, supporting Kuwait's transition toward a knowledge-based, tech-driven economy.

As Kuwait enters a new phase of digital acceleration, Connected Horizons reflects stc's commitment to shaping a borderless, interconnected future, a future where technology is not just a tool for communication but a foundation for opportunity, creativity, and economic resilience.

**stc** is not only  
connecting networks

it is connecting  
**possibilities**

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# Overview

A strategic overview of stc's performance, achievements, and commitment to sustainable value creation.

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# About stc

Kuwait's most trusted and innovative telecom operator for over 17 years, stc is dedicated to advancing Kuwait Vision 2035 by powering the nation's digital transformation and positioning the country as a leading financial and commercial hub in the region.

Over the past decade, we have solidified our position as the fastest growing and most advanced telecom operator in Kuwait. In support of building the largest 5G network in the country and being the first in the region to launch 5G Standalone Technology, stc launched the "5G Advanced" network to enable more precise connectivity, higher speeds, and more intelligent network capabilities that align directly with the objectives defined under Kuwait Vision 2035.

Across our 64 branches and digital platforms, we offer a comprehensive portfolio of products and services tailored to meet the diverse needs of both individual and enterprise customers. From telecommunications and entertainment to information, digital solutions and data transfer services, we are committed to delivering exceptional experiences and outstanding support to our +2.3 million customers – wherever they are, whenever they need it.

 **17**  
years in operations

 **61%**  
of employees are Kuwaiti nationals

 **373**  
employees

 **100%**  
coverage of residential and populated areas



## Our brand

Kuwait Telecommunications Company (stc) has a brand name which considered the most valuable brands in the Middle East in the telecom sector. It is a unified trading brand of the group's companies in KSA, Kuwait, and Bahrain. The Group's brand name was ranked 3rd strongest telco brand in the world by Brand Finance. stc's strong brand name is one of the key factors that enhanced the company's position in telecom market in the region and the gateway through which stc seeks to keep abreast of the latest technical and digital developments in the ICT sector.

## Our subsidiaries solutions by stc

stc completed the acquisition of the entire capital of Qualitynet (solutions by stc) on 6 May 2019. The company specializes in providing integrated business solutions, internet services, and fixed broadband services. This process was one of the crucial steps in our journey to improving the business solutions that stc offers to its customers. This milestone combined the strengths of two established and well-positioned telecom companies with prestigious and strong positions in the telecom and ICT sector, as well as paving the way for both individual and enterprise customers to achieve their desired goals.

## e-Portal Holding Company and its subsidiaries

On 6 April 2022, stc has completed the acquisition of the entire share capital of e-Portal Holding Company and its subsidiaries, specializing in communications and ICT in Kuwait, one of the most prominent companies in this field. e-Portal represents stc's dedicated digital transformation arm for the B2B sector, providing Information and Communication Technology (ICT), Internet of Things (IoT), as well as cloud services, and serving as a leading Oracle solutions provider in the State of Kuwait through its subsidiaries, Al Dar Systems and J.M.T. Al Ghanim & Sons Co., delivering end-to-end enterprise technology solutions across the public and private sectors. In addition, JMT serves as Oracle's official distributor in Kuwait, bringing over two decades of Oracle delivery excellence across Business Intelligence, Database, Financials, Supply Chain, Human Capital Management, and enterprise integration technologies.



# Vision, Mission, Values, and Purpose

## Vision

Digital leader, enriching lives and empowering businesses.

## Mission

Enable Kuwait's digital transformation by empowering customers and supporting government initiatives through innovative and tailored solutions, while driving growth and shareholder returns.

## Purpose

stc aspires to a new digital age transforming our nations and economies.

## Values



### Dynamism

Outstanding energy to enhance and enrich our performance. We are agile, collaborative and fresh.



### Devotion

Determined to be a "customer centric" company for our clients and an inspirational workplace for our employees. We are caring, committed and trustworthy.



### Drive

Moving forward and enabling the best possible solutions for our clients and employees. We are proactive, inventive and inquisitive.

stc creates products and services beyond the traditional telecommunications services to enable the digital pillars of the new digital economy. At stc, we combine smart technologies with the most advanced systems to harness the digital capabilities and the full power of technologies to better serve our customers, stakeholders, government entities, and the local community. We develop digital platforms, solutions, and services based on data science, cloud computing, artificial intelligence, and advanced digital analytics driven by 5G services. By empowering the leading industries, businesses, and governmental entities to thrive through providing the most innovative digital services, stc focuses on shaping a sustainable future to for the local community with deeper insight and accelerated growth.

# FY 2025 Highlights

## Key financial indicators

Revenues (KD million)

**342.5** ▲ +1.8%

(2024: 336.5)

EBITDA (KD million)

**93.5** ▲ +9.6%

(2024: 85.3)

Net Profit (KD million)

**34.1** ▲ +8.7%

(2024: 31.4)

EBITDA Margin (%)

**27.3** ▲ +1.9 pt.

(2024: 25.3)

Earnings Per Share (Fils)

**34** ▲ +8.7%

(2024: 31)

Dividends per share\* (Fils)

**38** ▲ +8.6%

(2024: 35)

Results are compared to the same period last year.

\*Cash Dividends distribution for the year 2025 is subject to the approval of the Ordinary General Assembly.

## Operational highlights

**64**  
branches



**2.3**  
million  
subscribers



**34.1%**  
market  
share



**21%**  
female  
employees



**2.9 K+**  
towers



**5G**  
Advanced  
launch  
completed



## ESG highlights

- Diesel generator sites were cut by **31%**
- Employee Well-Being Index reached 88.8%, marking a **+13.0 pt.** year-on-year improvement
- Advanced workplace inclusion through autism awareness initiatives
- Established the **Sustainability Steering Committee (SSC)**, chaired by the CEO and comprising senior executives

# Year in Review

2025 represented a significant chapter in stc's ongoing journey of growth and innovation. Amidst a rapidly evolving digital landscape, the company continued to build on its strong foundation by enhancing network capabilities, expanding its portfolio of digital services, and strengthening its position as a trusted enabler of Kuwait's digital economy. Guided by its strategic vision and commitment to innovation, stc advanced its digital transformation journey, delivering enhanced value to customers, partners, and the wider community.

Focused on operational excellence and customer satisfaction, stc pursued strategic initiatives that not only improved business performance but also advanced the nation's broader technological progress. Through continuous investment in infrastructure, emerging technologies, and human capital, stc demonstrated its commitment to sustainable development and long-term value creation. The year's accomplishments underscore the company's vision of leading the next phase of connectivity and digital transformation across Kuwait and the region.

## January

**stc was the first to earn the ISO 37301:2021 certification for Compliance Management Systems in Kuwait**

stc awarded ISO 37301:2021 certification for Compliance Management Systems, which is earned as a first in Kuwait. Maintaining this certification demonstrates the Company's commitment to strong governance, ethical conduct, and regulatory compliance.

**stc signed a strategic partnership with Nile Secure Networks**

stc reinforced its leading position in the digital transformation and infrastructure modernization through its partnership with an AI-driven networking company. This collaboration reduces total cost of ownership for enterprise clients while improving performance, network automation, and security at scale.

## April

**The Launch of the 3rd intake of the "InspireU" program**

stc launched the 3rd intake of "InspireU", an entrepreneurial state-of-the-art accelerator designed to support startups and SMEs in Kuwait.



**solutions by stc has enhanced "My Business" platform to facilitate Digital Billing and Invoice Access**

solutions by stc has enhanced digital billing and invoice access on My Business platform, promoting sustainability through streamlined processes. Businesses can now directly download rental reports, all subscriber bills, and monthly detailed invoices in

a single click, eliminating the need for paper-based requests and reducing reliance on email communication with our billing team. This digital approach minimizes environmental impact while providing immediate and easy access to essential billing information.

## February

**stc participates in the fourth edition of the "LEAP 2025" tech conference in Riyadh**

stc participated in the "LEAP 2025" conference hosted in Riyadh, KSA. The Company's attendance at one of the largest global technology events aligns with stc's strategic objectives behind enabling digital transformation, forming strategic partnerships, and gaining access to the latest insights and trends in the market.



**stc earned the ISO 45001:2018 certification for Occupational Health and Safety Management**

stc earned the ISO 45001:2018 certification demonstrating its commitment to fostering a safe and healthy working environment for its stakeholders. The certification provides an internationally recognized framework for identifying and managing occupational health and safety risks, strengthening stc's efforts to minimize workplace hazards and enhance employee well-being.

## May

**stc a Diamond Sponsor of the "Kuwait Sustainable Energy Week"**

stc participated as a Diamond Sponsor in the Kuwait Sustainable Energy Week conference and exhibition organized by the Ministry of Electricity, Water, and Renewable Energy in collaboration with the Regional Center for Renewable Energy and Energy Efficiency.

**solutions by stc launched centralized knowledge base on its website**

solutions by stc launched a comprehensive Help Center on its website, enhancing customer experience through self-service digital tools. The platform provides quick access to information and support while reducing reliance on traditional channels and minimizing environmental impact.



## June



**Launch of AI Unit**

stc Launched a dedicated Artificial Intelligence (AI) Unit under the Transformation and Synergies Sector to drive AI adoption, enhance decision-making, and develop smarter solutions for customers and employees.

## July

**Launches 5G Advanced network**

stc launches 5G Advanced network to deliver an exceptional experience to its customers. The step comes in line with stc's ongoing commitment to support Kuwait Vision 2035, which aims to enable digital transformation and provide an enhanced digital experience for customers.

**solutions by stc concludes 10x10G IRU deal with Center3 to strengthen international capacity**

solutions by stc's wholesale division signed a 10x10G IRU agreement with Center3 for stc Kuwait's IP-Transit services, reinforcing international connectivity and supporting sustainable growth in the wholesale segment.

**Long-Term Incentive Program for employees**

stc announced the launch of its Long-Term Incentive (LTI) Program, aimed at rewarding top talent as they progress within the Company. The LTI Program aligns with stc corporate culture which focuses on rewarding exceptional employees for driving business success, further motivating them to achieve new milestones.

**Establishing the AI Office**

A dedicated AI Office was established to oversee stc's enterprise-wide AI program. Anchored by a robust AI strategy, the implementation of AI is expected to create new opportunities and capabilities across the organization.

# Year in Review

## Awards



- Global Most Valuable Partner Award by HONOR
- Excellence in Quality FWA User Experience by SAMENA
- Ranked 3<sup>rd</sup> for Best IR Film in Middle East by Middle East Investor Relations Association

- Best Digital Workplace & Employee Experience – Kuwait 2025 by International Finance
- Best Digital Transformation Company - Kuwait 2025 by International Finance
- Best Corporate Governance Telecom Company – Kuwait 2025 by Global Business Outlook

## August



**stc signs a joint cooperation protocol with Kuwait Airways to enhance digital services**

stc signed a joint cooperation protocol agreement with Kuwait Airways, the national carrier of Kuwait. The protocol aims to strengthen the strategic cooperation between the two parties in the fields of telecommunications and aviation, providing integrated and innovative services that support shared objectives and enhance the overall customer experience.

**solutions by stc finalizes 2Africa CLS Agreement to expand global connectivity**

The wholesale division finalized the landmark 2Africa CLS Agreement, with service orders processed and technical implementation underway, marking a major step in expanding international capacity and regional connectivity.

## September

**Signing of a Strategic Contract with Kuwait University**

stc signed a strategic contract with Kuwait University to develop management, monitoring, and transportation systems at the new Sabah Al-Salem University City campus. The aim is to support digital transformation and enhance the experience of students and faculty members through integrated smart systems that combine modern technology with advanced management.

**solutions by stc launched My Business's app version**

solutions by stc launched My Business's app version for subscribers, a new self-service platform integrated within mystc KW app. The app enables users to easily access and manage their subscriptions, usage, and bills, with real-time notifications for better service control.

**stc headquarter relocation**

stc relocated its headquarters to a new facility designed to enhance the work environment, offering improved amenities and workplace flexibility that support employee well-being, trust, engagement and productivity. The new headquarters provides a more inclusive and supportive setting, reinforcing stc's commitment to creating a positive employee experience and enabling a modern, flexible, and high-performing workplace. This move reflects stc's continued investment in its people as a key driver of sustainable performance, operational performance, and long-term value creation.

## October

**Partners with Mobile Arts to enable Blacknut cloud gaming service to its customers in Kuwait**

stc announced its strategic partnership with Blacknut, a leading global provider of cloud gaming solutions. The collaboration aims to introduce a new cloud-based gaming service for stc customers, expanding the Company's portfolio of value-added services (VAS), especially within stc's selection of entertainment solutions.

**The enhancement of the qitaf loyalty program**

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. Besides fully upgrading the digital experience, these enhancements strengthened customer loyalty, convenience, and everyday engagement.



## November

**Signed a strategic agreement with National Technology Enterprises Company (NTEC)**

stc sustained its leading position in digital transformation through the strategic agreement with NTEC which aims at enabling future co-execution of large government programs while maintaining legal/financial independence for both parties.

## December



**Enables stc's AI Momentum**

stc's AI Week brought employees together to experience, co-create, and shape how AI will be embedded into operations and value creation. The program featured expert keynotes, co-creation workshops, and hands-on labs. Beyond participation, AI Week strengthened organizational capabilities, validated real AI use cases, and marked the start of stc's sustained AI momentum.

**stc is the main sponsor in the Nexus 2025 Kuwait's Tech & Innovation Summit**



Reinforcing its commitment to advancing Kuwait's digital ecosystem, stc participated as the main sponsor in the Nexus 2025 Kuwait's Tech & Innovation Summit. The participation enabled engagement with startups and industry leaders through workshops, panel discussions, and technology showcases, alongside the signing of strategic MoUs to strengthen digital partnerships. This participation aligned with stc's CSR strategy and Kuwait Vision 2035, supporting innovation, entrepreneurship, and digital transformation.

# Our Journey

stc has rapidly established itself as a leading force in Kuwait's telecom and ICT sectors, continuously innovating and raising the bar with industry firsts, strategic partnerships, and cutting-edge advancements. Through strategic growth and diversification, stc now plays a pivotal role in empowering Kuwait's digital future and advancing the nation's Vision 2035.

## 2008

- Launched commercially
- First to abolish incoming calls fees
- Became first operator in the world to have all **IP network**

## 2009

- Introduced high-speed mobile broadband in Kuwait
- Launched innovative prepaid offerings and acquired **500K customers** in one year

## 2010

- Expanded retail network and launched joint promotions with retailers
- Won Comms MEA "Best Telecom Finance Deal" Award

## 2011

- Became first to introduce Apple iPhone
- Launched strategic partnership with Manchester United
- Became first to introduce newest HSPA+ (**42.2 Mbps**) broadband network

## 2015

- Became first to introduce the all-new VoLTE technology
- Expanded network to **70 branches** across Kuwait
- Became first to introduce LTE Advanced

## 2014

- Launched partnership with Real Madrid
- Listed** on Kuwait Stock Exchange
- Ranked second in terms of revenue and subscriber market share

## 2013

- Won "Best LTE Deployment" at the "Telecoms World Awards – Middle East"
- Introduced number portability and acquired majority of ported numbers between operators

## 2012

- Launched Elite Program for loyal, VIP and high-value customers
- Became profitable during the fourth year of operations
- Began deployment of **4G LTE** network

## 2016

- Won "Best Telecom Company" by Arabian Business
- Became Member of the International Telecommunication Union (**ITU**)

## 2017

- Won "2017 Speedtest Award" by Ookla
- Won "Best Operator Network" from Telecom World Middle East

## 2018

- Won "Best Network Development Award" at 5G MENA

## 2019

- Launched new stc brand
- Acquired Qualitynet**, the leading ISP provider in Kuwait
- Launched **5G** services
- Signed MoU with Huawei to develop 5G services

## 2020

- Ranked first in the MENA region on the Forbes "Global 2000" list
- Rebranded Qualitynet to **solutions by stc**
- Established **Connect Arabia W.L.L** with Mobility Telecom Kuwait Limited (BVI)/ the main partner

## 2025

- stc Kuwait has been recognized as the Global Most Valuable Partner for HONOR
- stc launches **5G Advanced** network to deliver an exceptional experience to its customers
- stc announced the launch of its Long-Term Incentive Program for employees (LTI)
- stc signed a joint cooperation protocol with Kuwait Airways to enhance digital services.

## 2024

- Upgraded from the Main Market to the **Premier Market** on Boursa Kuwait
- Signed land agreement to build stc's new headquarters

## 2023

- Launched partnership with Samsung to expand availability of smart solutions
- Signed MoU with Huawei on 5.5G strategic cooperation and digitalization innovation
- Added to a number of the **MSCI** and **FTSE** Global Equity Indexes

## 2022

- Acquired e-Portal Holding Company and its subsidiaries, the leading ICT services provider in Kuwait
- Increased share capital to **KD 99.9 million** through the distribution of **100% bonus shares**

## 2021

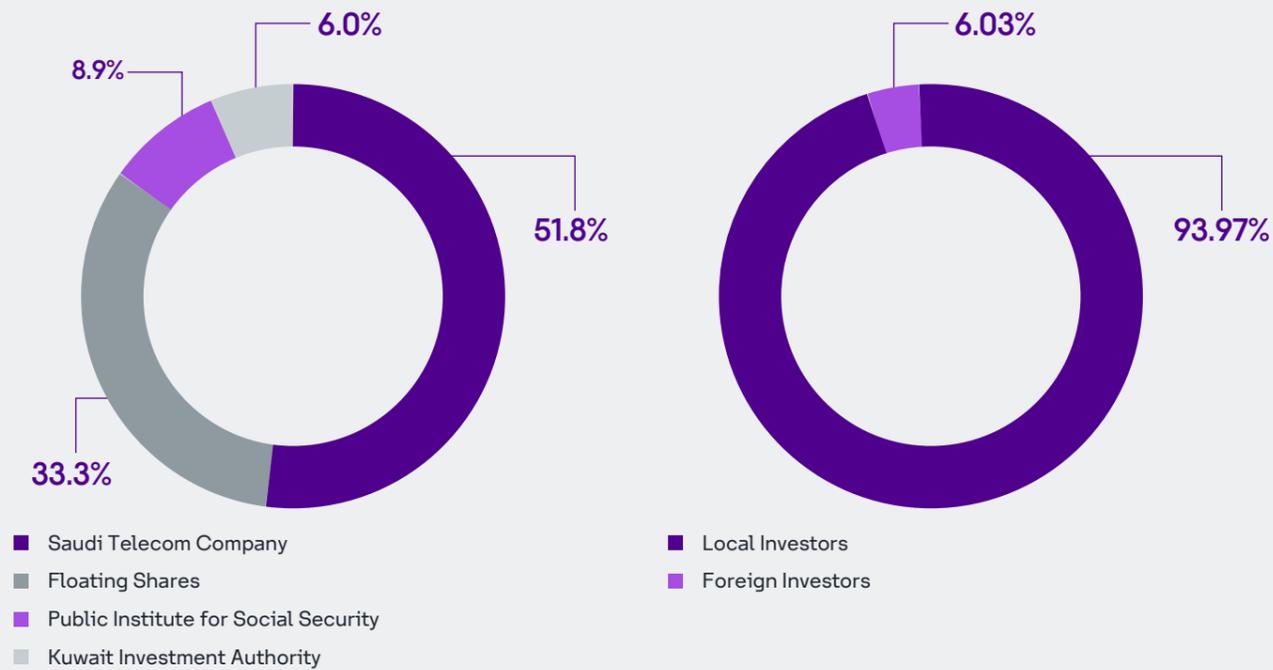
- Led consortium with Virgin Mobile Middle East & Africa that received a **MVNO license** from CITRA

# Shareholder Information

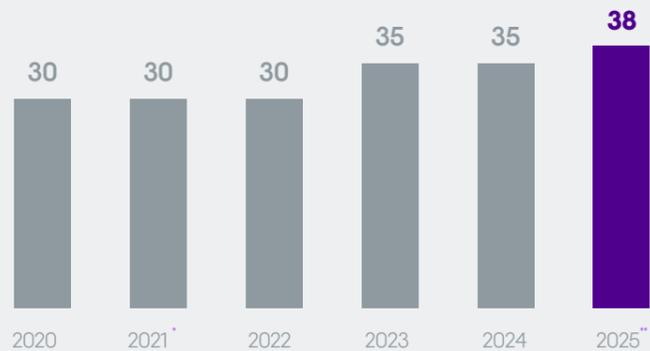
# stc's Stock Performance

**998.7**  
Million Shares

Number of Shares Issued and Paid



## Cash Dividends



**112%**  
Dividend Payout Ratio

**6.6%**  
Dividend Yield\*\*\*

\* 2020 and 2021 cash dividends per share are adjusted based on stc's new number of share resulted from the 100% bonus shares distribution in 2022.

\*\* On 27 February 2026, the Board of Directors has recommended distributing cash dividends of 38 fils per share representing 38% of the share's nominal value for the year ended 2025. This recommendation is subject to the approval of the General Assembly of the company.

\*\*\*Dividend yield is calculated based on 2025 yearly average closing price (0.577 fils).

## FY 2014-FY 2025 Stock Performance



\* The stock price prior to the distribution of 100% bonus share on 18 April 2022 has been normalized.

## FY 2025 Share Figures

Boursa Kuwait Ticker: **STC**

Close (KD)	0.690
52- Week Maximum (KD)	0.699
52- Week minimum (KD)	0.519
Market Cap. (KD mn)	6891
Volume Traded (Mn Shares)	262.2
Value Traded (Mn Shares)	151.7
Number of Deals	42,235
Share Turnover (%)	26.2%
YTD-2025 Total Return (%)†	34.8%

## Index Inclusions & Market Recognition

### MSCI

- MSCI Kuwait Index
- MSCI GCC Countries Small Cap Indexes
- MSCI GCC Countries Domestic Small Cap Indexes

### FTSE

- FTSE Global Equity Shariah Index Series
- FTSE Global Equity Middle East & Africa Regional Index



Scan for Investor Relations contacts

† The total return is the stock return during 2025 plus the cash dividends of 35 fils per share.

# Investment Case

Driven by the company's "r.e.a.c.h." corporate strategy, which was designed to deliver quality growth, stc offers a compelling opportunity due to its competitive market position in enabling communication infrastructure, expanding mobile and internet penetration, accelerating digital transformation, advancing market revolution, and capitalizing on emerging technologies such as 5G advanced, Internet of Things (IoT), ICT, as well as cloud services. stc's strategic direction reinforces differentiation and value creation through the advancement in digital services, AI, and connectivity which represent the backbone of the global community.

stc boasts a strong market presence, robust revenue streams from diversified services beyond the core telecom services, as well as significant

investments in network modernization, positioning it well to capture growth in data consumption and digital transformation across both consumer and enterprise segments. Additionally, stc's stable cash flows and flexible business model offer resilience against economic volatility, while strategic partnerships, wise investments and innovation initiatives provide upside potential.

Given these factors, stc stands out as a leading telecom operator in the GCC, with a key role in driving Kuwait's digital transformation and presents an attractive risk-reward profile for investors seeking exposure to the telecom sector, given its evolving nature, that is poised for sustainable long-term growth and reliable returns.



## Kuwait's Macroeconomic Environment

Kuwait's economy has returned to positive growth in 2025, with real GDP expanding by around 2.6% following a period of contraction in recent years. This recovery is largely driven by higher oil production after the unwinding of OPEC+ output cuts alongside continued non-oil growth, which expanded by around 2.7% in 2025. Growth is expected to continue into 2026 at around 3.8% as both oil and non-oil sectors strengthen.

Inflation is moderating, with headline CPI expected around 2.2–2.4% in 2025–2026, reflecting easing price pressures after higher rates in earlier years.

(source: IMF)

## Telecommunication sector in Kuwait

The telecommunications sector in Kuwait continues to demonstrate robust growth, driven by strong demand for mobile, internet, and digital services. With mobile penetration exceeding 100% and rapid adoption of next-generation technologies such as 5G and IoT, the sector plays a pivotal role in supporting the country's digital transformation. There is increasing demand for value-added services, cloud solutions, and ICT infrastructure, as businesses and consumers embrace digitalization across finance, education, and government services. The sector's expansion is further fueled by high-quality network investments, competitive offerings, and the growing importance of AI driven investments and e-government services, positioning Kuwait as one of the most advanced telecommunications markets in the region.

## Investment Pillars



### Diversified portfolio with potential growth trajectories

- stc's emphasis on quality growth as a strategic pillar to elevate its portfolio of advanced products and innovative business solutions.
- Solid revenue mix from providing diversified products, integrated services, and innovative business solutions to the consumer and enterprise segments, amounting to KD 342.5 mn in 2025 with a growth of 1.8% compared to 2024, representing its highest level since inception.
- Continuous focus on elevating the core telecom services, where the consumer revenue segment represented 78% of total revenue in 2025 compared to 76% in 2024.
- EBITDA grew by 9.6% in FY-2025 to reach KD 93.5 mn compared to KD 85.3 mn in FY-2024.



### Enhance value for shareholders and potential investors

- stc's dividends per share shows a growth trajectory since 2016 as a commitment to create long-term value for shareholders. In FY-2025, stc's board of directors recommended the distribution of 38 fils per share for shareholders, subject to the AGM's approval.
- stc's upgrade to the Premier Market at Bursa Kuwait in 2024 solidifies its position among Kuwait's top-tier companies, increasing its visibility and attractiveness to institutional investors.
- stc's listing in international indices such as FTSE and MSCI plays a critical role in strengthening the company's visibility, transparency, liquidity, and credibility.



## Unlocking potentials in digital, AI, ICT, and data services

- The launch of the 5G advanced network serves as a bridge between traditional 5G and the future 6G, adding substantial enhancements to performance, efficiency, and new capabilities.
- Growing demand on AI, digitization and technical solutions, especially in the enterprise sector and government entities in respect of their automation processes and systems.
- stc has successfully diversified its revenue base beyond traditional telecommunication services, with established contributions from the ISP and ICT sectors. In 2025, B2B revenues accounted for 22% of total revenue, underscoring the company's strategic shift toward integrated digital solutions.
- stc complements its core offerings with consumer-focused non-core services such as Insurtech and digital e-vouchers, over the top (OTT), and direct career billing (DCB) services supporting its broader digital lifestyle strategy.
- stc continues to invest in and actively manage its 5G infrastructure to support the growth and quality of its consumer services, value-added services, and ICT offerings. Through the latest launch of 5G Advanced as well as ongoing network expansion, optimization, and capacity enhancement, the company ensures high performance, reliability, and low latency, enabling superior customer experiences across mobile connectivity, digital applications, and advanced enterprise solutions.
- It delivers an agile and flexible AI enhanced operating model to enhance data access and security, upskill existing teams, and facilitate AI tools and learning systems in addition to identifying roles and responsibilities.
- It is also leveraging AI into stc's internal operations to boost efficiency, reduce costs, and enrich customer experience, including, but not limited to, website chatbots, business analysis, and decision-making process.



## Strengthen and elevate stc Kuwait brand-positioning locally and regionally

- stc Group brand name ranked 1st as the most valuable telecom brand in the Middle East.
- As part of the wider stc Group, stc Kuwait leverages the Group's digital and technical capabilities by creating synergies across affiliated entities and subsidiaries.
- stc focuses on creating differentiated experience in the local market to maximize value creation and establish a more prominent and influential presence in the local area.
- stc's operational expansion to provide beyond the telecom core services in Kuwait is vital to increase confidence, attract talent management, and world-class corporate culture.
- stc possesses strong technical capabilities including its solid network and 5G infrastructure, cloud & data services, cybersecurity, IoT, business process outsourcing (BPO), smart solutions, integrated technical solutions, and digital transformation and innovation.
- stc continues to support its employees and strengthen loyalty amongst outstanding talent in its efforts to become Kuwait's "Employer of Choice" across various fields as part of its human resources focus on Talent and Employer Branding. In 2025, stc offered 1,320 training hours in addition to making favorable adjustments to its flexible working hours and work-from-home policy.
- stc continues to support its employees and strengthen loyalty amongst this talent through utilizing its treasury shares as stock options that can be exercised by employees.



## Customer Experience and Process Excellence

- stc continued to place customers at the center of its transformation agenda in 2025, linking customer experience initiatives with a more disciplined approach to Business Process Management. By treating journeys and processes as integrated value streams, stc aims to deliver faster, simpler, and more reliable experiences across all channels, while reinforcing efficiency and governance.
- In 2025, our Customer Experience initiatives focused on mapping priority customer journeys across digital and physical channels to better understand the key drivers of effort, satisfaction, and churn. We enhanced the use of structured feedback mechanisms, such as CSAT surveys, campaign insights, and contact-center analytics, to identify recurring pain points and design targeted improvements. These efforts resulted in measurable gains across core customer-experience metrics, including first call resolution rate of >95%, and ending the year with an industry-leading 93% of calls being attended to in less than 20 seconds by our trained agents. As a result, our Net Promoter Score (NPS) increased by 10 points year-on-year compared to 2024, as independently measured by ServiceHero.
- stc has started to build a stronger foundation for Business Process Management by shifting from a documentation-centric approach toward one that focuses on end-to-end flow efficiency and measurable outcomes. The necessary governance methodology documents were set in place to enable stc to start interacting with processes as living value streams with clear owners, defined inputs and outputs, and performance indicators that track time, quality, and cost across the full journey.



## Robust financial position and sustainable profitability

- stc's strengthened and adaptable operating model plays a key role in reinforcing the company's solid solvency and healthy cash flow. By the end of FY-2025, stc's cash, bank balances, and deposits totaled KD 90.4 million.
- The solid financial position enables stc to consider organic and inorganic investments as well as generating strong shareholders returns through offering a sustainable dividend with elevated payout ratio reaching 112% in 2025.



## Adherence to global sustainability standards and governance frameworks

- A comprehensive sustainability framework and program, with a standalone sustainability report, illustrates stc's commitment to a sustainable future.
- Incorporating sustainability standards into the day-to-day operations of stc and its subsidiaries helps to create long-term value for stakeholders and the local community.
- Strategic Partnerships with government entities, suppliers, and industry leaders enhance sustainability impact.
- stc continues to support the young Kuwaiti professionals and empowers them to play a key role in the country's digital economic future through launching the Talent Incubation Program (TIP) in 2024.
- stc was awarded Best Governance Telecom Company for the second consecutive year, reflecting its well-structured governance framework that ensures effective oversight across all levels of the organization.



## Strategic Investments and partnerships to accelerate growth

- stc acquired 100% of the share capital of solutions by stc (Qualitynet) in 2019.
- stc acquired 100% of the share capital of e-Portal Holding Company and its subsidiaries in 2022.
- stc executed a number of strategic partnerships through its B2B specialized arms including providing cloud, system integration, and cybersecurity services to the enterprise segment.
- Ongoing exploration for market potential in line with the global direction in the telecom landscape.

# Strategic Review

A deep dive into the strategic pillars, operational progress, and value-driven direction shaping stc's leadership and long-term growth.

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# 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



# CEO's Message



Innovation, digital transformation, and empowering national talents to lead Kuwait's digital future.



**Eng. Muataz Abdullah Aldharrab**  
Chief Executive Officer

It gives me great pleasure, as we conclude a remarkable year in the journey of Kuwait Telecommunications Company (stc), to proudly highlight the achievements that reflect the company's resilience and leadership, as well as its unwavering commitment to advancing innovation, operational excellence, and continued growth and expansion in the fields of telecommunications and ICT. This year also underscored the crucial role of its corporate strategy in delivering strong financial and operational results. Throughout 2025, stc continued to reinforce its position as a leading player in Kuwait's telecom and ICT sectors, guided by a clear vision and an ambitious strategy built on quality growth and reinforcing a culture of innovation and sustainable digital transformation. Providently, the company was able to achieve tangible progress toward a more connected and sustainable future, driven by the dedication of our employees and our governance-driven, efficiency-based approach, that contributes to enhancing the trust of its shareholders, partners, and the local community.

## Digital Transformation & Innovation

In 2025, stc directed its efforts towards expanding its operations and service offerings in the telecom and ICT sectors, with digital transformation serving as the primary engine of growth. The company focused on developing its digital infrastructure and strengthening its capabilities in artificial intelligence, cybersecurity, cloud computing, and big data analytics, in line with its vision to deliver innovative solutions that meet the needs of both individuals and enterprises.

stc also continued to invest in modern technologies to support digital transformation across vital sectors in Kuwait, enabling smart solutions that contribute to advancing the digital economy and enhancing national competitiveness in alignment with Kuwait Vision 2035. In mid-2025, stc launched its Advanced 5G Network, to provide an exceptional and improved digital experience for customers that enable more precise connectivity, higher speeds, and more intelligent network capabilities. stc considers this milestone a pivotal turning point in its history, enabling the company to align with Kuwait's strategic priorities and position the country on the global map in delivering high-speed 5G connectivity and innovative ICT solutions serving multiple sectors.



We innovate today to shape tomorrow.

This digital shift also included the enhancement of the internal work environment and nurturing a culture where our people can thrive and perform at their best. Accordingly, stc launched innovative digital tools and internal platforms to support employees and promote a culture of appreciation among colleagues. The Human Resources application also witnessed notable digital enhancements that made access to HR services easier and faster, reflecting the company's commitment to innovation at all levels.

With the aim of enabling innovation and sustainable growth, in addition to accelerating digital transformation in Kuwait, stc-through its specialized subsidiaries that provide ICT services to the enterprise sector-is committed to delivering innovative digital services and solutions that ensure the alignment of customers' digital initiatives with their strategic objectives, while providing support across all stages of the digital transformation journey.

In this context, stc-through its subsidiaries-has established strategic partnerships with several pioneering companies specializing in artificial intelligence. These partnerships aim to enable organizations to access advanced expertise in order to accelerate the speed of innovation, while reducing the costs and risks associated with developing AI solutions in-house. They also empower organizations with scalability, flexibility, and data-driven decision-making capabilities, in addition to developing internal competencies through knowledge transfer. By leveraging the capabilities of AI experts, organizations are able to strengthen their competitive advantage, improve operational efficiency, and drive sustainable digital transformation.



Strategic AI partnerships accelerating the speed of digital transformation in Kuwait.

## Our Strategic Framework for the Future

Supported by its corporate strategy "r.e.a.c.h." focused on quality growth, stc achieved notable success and progress in operational performance, in line with the company's development and its journey toward industry leadership. This was reflected in profitability and financial performance through

improved operational efficiency, cost optimization, and effective resource management. With this sustainable model built on quality, innovation, and operational excellence, stc has become a benchmark in innovation, reliability, and long-term value creation in the telecommunications sector.

stc is actively exploring and investing in emerging technologies to strengthen its position as a digital leader and to capture future growth opportunities across the technology sector. The company has significantly invested in advanced technologies such as 5G, 5G advanced, Internet of Things (IoT), cloud services, and artificial intelligence, demonstrating a clear strategic focus on shaping the future of ICT services and enabling digital transformation for both consumers and enterprises.

Beyond infrastructure, stc fosters innovation through involvement in the startup and technology sectors, including sponsoring key regional technology and startup events like Nexus 2025, where it highlights emerging technology trends and supports entrepreneurship.

Accordingly, stc has adopted artificial intelligence as a key enabler to support service quality and create new opportunities across various sectors. The use of artificial intelligence technologies has contributed to enhancing customer experience by automating customer service processes, improving the speed and accuracy of response, and raising the efficiency of operational processes through the advanced use of data analysis and proactive network management.

At the operational level, our subsidiaries represent strategic arms supporting our expansion in the enterprise and government sectors by providing advanced digital solutions including smart grids, cybersecurity, automation, and data analysis. This integrated approach has enabled stc to accelerate market development, enhance the role of artificial intelligence as a driver of sustainable value creation, and consolidate the company's position at the forefront of digital transformation in the communications and information technology sector.



"r.e.a.c.h." .. our vision for excellence and growth in every step.

Through the implementation of its corporate strategy, stc continues to move steadily towards its vision of becoming Kuwait's leading digital enabler and a key contributor in achieving Kuwait Vision 2035 by supporting digital transformation across vital sectors and delivering sustainable value to all stakeholders.

### Operational Leadership & Financial Growth

Driven by its integrated strategy that combines operational efficiency with technological innovation, stc achieved strong and sustainable financial performance, with total revenues reaching KD 342.5 million, while net profit reached KD 34.1 million, supported by a notable improvement in profit margins. This performance reflects stc's resilient business model and its ability to adapt to dynamic changes in both local and regional markets.

The company also continued to strengthen its competitiveness by diversifying revenue streams, expanding its portfolio of digital services and technology solutions for consumer and enterprise segments, reinforcing its position among the elite companies listed on Boursa Kuwait's Premier Market.

### Talent Empowerment & Workplace Development

Driven by our belief in the importance of our human capital as the cornerstone of success, stc continued throughout this year to implement initiatives aimed at developing and empowering national talent through continuous training and upskilling, as well as expanding career development programs.

In 2025, stc relocated its headquarters to a new facility designed to enhance the work environment and provide improved benefits and capabilities for its employees, supporting productivity and employee well-being. The Human Resources sector also achieved a significant shift in its approach, becoming more inclusive and increasingly focused on enhancing the employee work environment, through qualitative initiatives that strengthened the employee experience and fostered a culture of recognition and belonging.

This included the relaunch of the Corporate Awards Program under the name GEM – "Growth, Engagement & Merit", honoring high-performing employees and fostering a spirit of achievement. In addition, the "Talent Incubator Program" (TIP) was introduced to prepare fresh graduates and develop future leaders, alongside the Summer Internship

Program, which provided university students with meaningful hands-on opportunities to hone their skills.

On a cultural level, stc organized several engagement activities to enhance teamwork and strengthen a flexible and integrated work environment that extends to employees' families. The company also activated the "Suggestions & Feedback" platform to encourage open communication and employee participation in improving the workplace.



Our people.. the strength that builds the future.

The company achieved a Kuwaitization rate of 61% by the end of 2025, while the participation of women in the workforce reached to 21%, reaffirming stc's commitment to fostering diversity and empowering national talent across all organizational levels.

### Sustainability & Corporate Responsibility

stc continues to embed sustainability and good governance principles across all its operations by adopting global best practices in Environmental, Social, and Governance (ESG) standards. The company implements initiatives that promote environmental awareness, optimize resource efficiency, and support social and educational programs, reinforcing stc's role as an active contributor to sustainable development. Weyak is a flagship initiative by stc Kuwait that embodies the company's commitment to empowering local SMEs and startups, fostering innovation and accelerating digital transformation in Kuwait. As a core pillar of stc's Corporate Social Responsibility (CSR), Weyak supports the development of a complete entrepreneurial ecosystem, while aligning sustainability with long-term value creation for stakeholders.

In this context, stc's executive management established the "Sustainability Committee" to enhance transparency and integrate financial performance with corporate sustainability. The committee provides strategic oversight of stc's sustainability agenda, initiatives, and ESG policies, ensuring their alignment with national and global frameworks and embedding sustainability into decision-making processes, operations, and corporate strategy.

The committee is also responsible for monitoring performance, managing sustainability-related risks, and communicating with stakeholders, including employees, investors, regulators, and the community, while strengthening disclosure practices in support of stc's position as a leader in corporate governance and regulatory compliance.

### stc's Outlook

stc remains focused on accelerating the transformation of its operating model towards more intelligent and sustainable business structures, while expanding its portfolio of innovative digital services across local and regional markets. The company will continue investing in infrastructure, modern technologies, and AI-based smart solutions to reinforce its position as a leading digital enabler in Kuwait and the region.

stc is also working to further enhance the employee experience within a renewed work environment rooted in creativity, flexibility, and recognition of achievement - ensuring continued success and sustainable value creation for both employees and shareholders.

The company firmly believes that the future will be built through determination, collaboration, and innovation, and continues to move forward as one unified team to deliver lasting value to its shareholders, partners, and the wider community.

### Acknowledgment & Appreciation

I extend my sincere gratitude and appreciation to our shareholders for their trust and support, to our valued customers for their loyalty, and to the members of the Board of Directors, Executive Management, and the entire stc team for their dedication, which has enabled the company to advance its journey with confidence and success.

The achievements of 2025 are just a new step in our journey towards a brighter future, led by innovation and leadership.

### Eng. Muataz Abdullah Aldharrab

Chief Executive Officer

# Our Business Model

## Financial strength

- Backed by a leading regional telecom group
- Consistent financial growth and stability
- Strategic investor in new ventures

## Operational strength

- Leader in digital services offerings
- Early adopter of advanced technologies for operational efficiency
- Proactive strategic partner to many local and global entities, driving national transformation

## Human capital strength

- Culture of innovation and inclusion
- Attraction and retention of top industry talent
- Empowerment of employees with global expertise

## Innovation strength

- Leader in deploying next-generation technologies
- Driver of digital transformation with bold initiatives
- Global collaborations to foster innovation



Our business model is centered on creating long-term value for all stakeholders by focusing on innovation, sustainability, and operational excellence. We prioritize customer satisfaction through high-quality products and services, ensuring their needs are met while driving growth and market leadership. We foster strong relationships with employees by promoting a culture of collaboration, development, and well-being. We engage with suppliers and partners to drive mutual success, maintain ethical practices, and uphold environmental responsibility. Our commitment to shareholders is demonstrated through consistent financial performance, transparent governance, and strategic investments. We are dedicated to positively impacting the communities in which we operate, contributing to social and environmental sustainability, adhering to related regulations and aligning with global best practices.

# Strategic Framework and Corporate KPIs

## Objectives

<b>r</b> Reignite consumer portfolio	<b>e</b> Expand enterprise growth	<b>a</b> Advance market evolution	<b>c</b> Create differentiated experience	<b>h</b> Harness business excellence
Grow and safeguard B2C core telco business R.1	Grow and safeguard the B2B core telco business E.1	Establish future-ready capabilities and enhance competitive dynamics A.1	Build best-in-class experience for customers and partners C.1	Carry out complete digital transformation H.1
Continue diversifying beyond the core telco business R.2	Expand the B2B ICT portfolio E.2	Drive ecosystem alignment to support national digital priorities A.2	Become the employer of choice C.2	Strengthen organizational agility H.2
Enhance B2C commercial engine R.3	Strengthen the B2B commercial engine E.3	Expand regional footprint A.3	Elevate stc's brand positioning C.3	Embed AI into stc Kuwait's DNA H.3
				Strengthen financial control H.4

## KPIs

Sustainable growth of subscribers and revenues	Accelerated B2B and ICT revenue growth across priority segments	Increased collaboration and engagement within the national digital ecosystem	Improved stakeholder experience leading to higher satisfaction and brand perception	Advancements in digital transformation and operational agility
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The updated r.e.a.c.h. framework anchors these priorities, reinforcing the core and sharpening focus on new value areas.

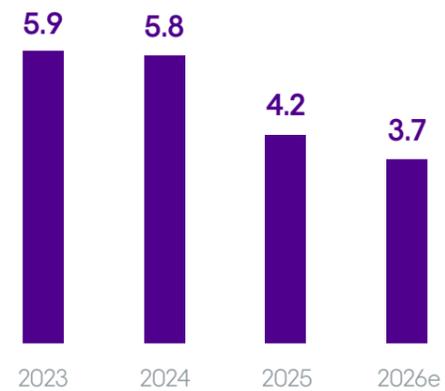


# Market Overview

## Uncertainty of future growth further muddled by impact of tariffs

World economic growth is expected to come in better than previous forecasts this year led by better-than-expected data for the second quarter of the year. However, the data reflects the front-running of US tariffs that led to stronger data and several positive surprises in Europe and elsewhere. Projections indicate a similar level of growth in 2026 (Figure 1), with headline inflation further declining to reach ~4.2% in 2025 and expectations for a further decline in 2026 to reach 3.7% (Figure 2). As a result, projections align with a soft-landing scenario, reducing inflation without a significant downturn in economic activity.

IMF Global Headline Inflation, %



(Source: IMF, October 2025)

IMF Real GDP Growth Projection, %



■ MENA Real GDP Growth ■ Kuwait

Historical Average of

**2.6%**

## Transformation gaining pace in Kuwait

Economic growth in Kuwait is expected to pick up pace in the near term, given the speed of execution of projects as well as a strong non-oil manufacturing sector. Kuwait's 2025 GDP growth forecast was revised up to 2.6% from an earlier forecast of 1.9% from the IMF, reflecting faster growth in non-oil GDP. Growth in 2026 is expected to be even better at 3.9%, the highest in four years backed by both higher oil GDP and non-oil GDP. Kuwait was an exception to the general decline in project awards in the GCC with total projects awarded improving in 2025 compared to 2024. Similarly, according to MEED Projects, total contracts awarded in Kuwait increased by 25.3%

to reach USD 7.0 Bn during the 9M-2025 compared to USD 5.6 Bn in 9M-2024. The growth in awards reflects Kuwait's steady economic momentum, mainly due to increasing oil production and resilient non-oil growth. Also, the latest data on PMI for Kuwait compiled by S&P Global highlighted the consistent expansion of the non-oil economic sectors with recent figures around 52.8 in October-2025, driven by strong new orders, output, and hiring, though facing some mixed employment signals and cost pressures.

(Source: IMF, 2025)

## Solid Kuwaiti telecom sector and elevated 5G networks

The Kuwaiti telecommunications market continues to demonstrate strong resilience and innovation, standing out as one of the region's most advanced sectors, especially in mobile services and innovative digital solutions. With mobile penetration exceeding 100% and broad uptake of next-generation technologies, the industry is a key enabler of Kuwait's digital transformation and a contributor to its wider development objectives.

reinforcing the country's position at the forefront of regional digital innovation. This step enhances network performance through higher speeds, lower latency, and improved reliability, enabling advanced use cases across industries such as AI, industry automation, and immersive digital services. The launch of 5G Advanced underscores CITRA and the telecom operators' commitment to fostering a future-ready digital ecosystem and supporting Kuwait's broader economic and technological development goals.

In support of the Kuwait Vision 2035, CITRA launched 5G Advanced during 2025, as a major milestone in Kuwait's telecommunications sector,

## Digital Enablement and AI-Driven Transformation

stc continued to play a leading role in enabling Kuwait's digital transformation by embedding digital capabilities and artificial intelligence across its operations and service offerings. The integration of AI into network management, customer engagement, and internal processes enhanced efficiency, improved service quality, and supported faster, data-driven decision-making. Through a growing portfolio of digital solutions and advisory capabilities, stc is keen to offer an exceptional

customer experience, exceeding their expectations and empowering enterprises and government entities to accelerate their own digital journeys. Leveraging on stc Group's global expertise and scale to deliver cutting-edge services, including cloud computing, IoT, and enterprise solutions, stc Kuwait's expanded role extends beyond traditional connectivity, reinforcing its contribution to the digital economy and supporting sustainable, innovation-led growth across the market.

# CFO's Review

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We invest with a long-term focus to drive sustainable growth and value creation. Our strategy is anchored in disciplined execution, supporting consistent growth while enhancing operational efficiency.



**Mr. Khalid Fahad Almayouf**  
Chief Financial Officer

This year marked an exceptional period for Kuwait Telecommunications Company (stc), as the company's financial and operational results reflected the strength of the financial pillars underpinning its corporate strategy and its ability to deliver sustainable financial growth in a highly competitive and rapidly evolving business environment. stc also demonstrated its ability to keep pace with the latest developments in the telecommunications and information technology sector by strengthening its solid infrastructure through the launch of 5G Advanced, enabling higher speeds, improved operational efficiency, and broader support for advanced applications and artificial intelligence technologies. This performance was driven by a balanced financial approach that combines a clear long-term vision, disciplined execution, and a strong focus on creating long-term value.

During the year, stc maintained its position as a leading player in the telecom and ICT sectors, continuing its efforts to enhance operational efficiency, elevate service quality, and allocate financial resources toward carefully selected strategic priorities. These efforts further strengthened the company's financial position and supported its ability to deliver sustainable, profitable growth.

As part of our digital transformation journey, stc has advanced the deployment of intelligent financial dashboards to provide real-time, predictive insights for faster and more informed decision-making. These dashboards leverage automation, advanced analytics, and AI-driven forecasting to move beyond static reporting toward proactive performance management for delivering value creation.

In this statement, I am pleased to present the key financial achievements for 2025, the key pillars that contributed to these strong results, and an overview of our financial priorities for the periods ahead.

## Financial Performance

In the first year of implementing its corporate strategy, "r.e.a.c.h", Kuwait Telecommunications Company (stc) delivered sustainable growth by successfully translating its strategic priorities into tangible results, despite a rapidly evolving and highly competitive operating environment. This was achieved through a strong focus on service quality, the enhancement of the Consumer segment's product and service portfolio, and the execution of several strategic partnerships aimed at accelerating expansion in the Enterprise segment. stc's solid financial performance was characterized by strong returns, healthy profit margins, and robust revenue growth, whereby total revenue reached KD 342.5 million in 2025, representing a growth

rate of 1.8% compared to the previous year. This performance was driven by the contribution of the Consumer segment, which accounted for 78% of total revenue, alongside the Enterprise segment, which contributed 22% of total revenue, highlighting a well-balanced revenue mix for the financial year ended 31 December 2025.

In addition, EBITDA reached its highest level in several years, amounting to KD 93.5 million in 2025, representing a 9.6% year-on-year increase. EBITDA margin expanded to 27.3%, compared to 25.3% in 2024, reflecting improved operational efficiency and disciplined cost management.

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With 9.6% YoY growth, stc records the highest level of EBITDA, positively reflecting on earnings and supporting sustainable growth.

This performance was supported by the continuous enhancement of the company's business model and the expansion of its portfolio of solutions and services, contributing to enhanced profitability, improved operational efficiency, a stronger financial position, and an increased revenue market share.

This strong operational performance translated directly into improved profitability, with net profit reaching KD 34.1 million (earnings per share of 34 fils) in 2025, representing a growth of 8.7% compared to KD 31.4 million (earnings per share of 31 fils) in the previous year. This improvement was driven by the balanced performance across the company's business segments, prudent cost management, and stc's continued focus on strengthening its operations and expanding strategic investments.

stc successfully achieved its financial targets and maintained robust cash flows. This reflects the efficiency of operational performance and the quality of earnings, providing the company with the confidence to maintain a dividend payout ratio aligned with shareholders' expectations.

The above results are supported by the credit control framework's advancements done in 2025, which enhances collection efficiency, supports healthier cash flows, and reinforces financial resilience. By leveraging data-driven insights and predictive risk models, we are building a more robust credit ecosystem that aligns with our long-term growth strategy and ensures sustainable revenue performance.



A strengthened credit control framework that boosts collection effectiveness, supports robust cash flows, and enhances overall financial stability.

The results also demonstrate stc's financial stability, especially following the implementation of the OECD Pillar Two global minimum tax framework in 2025, under which stc Kuwait is subject to a 15% minimum effective tax rate on profits generated in Kuwait.

Capital expenditure during the year amounted to KD 51.8 million, representing 15.1% of total revenues. The company continued to direct its investments toward network development and the enhancement of its digital infrastructure through the launch of 5G Advanced, supporting operational readiness and long-term sustainable growth.

The company maintained a robust financial position, with total assets reaching KD 479.0 million and shareholders' equity at KD 239.6 million as of December 2025. Its low debt level and conservative leverage further underscore financial resilience and capacity to fund future strategic objectives.

### Financial Pillars of the Growth Strategy

Building on these results, Kuwait Telecommunications Company (stc) continued to make tangible progress in 2025 within the framework of its corporate strategy, which serves as the key driver of its financial performance. This framework has enabled the alignment of financial decision-making with long-term strategic

priorities, supported Kuwait's digital transformation agenda, and delivered sustainable growth founded on discipline and efficiency.

From a financial perspective, the "r.e.a.c.h." strategy is centered on efficient capital allocation, enhancing revenue quality, and strengthening discipline in cost and investment management. This integrated financial approach was clearly reflected in the company's performance during the year, contributing to improved profitability, higher capital efficiency, and a more resilient financial position across all business segments.

### stc and the Investment Community

The financial performance delivered by Kuwait Telecommunications Company (stc) in 2025 reflected growing confidence from the investment community, as the company's share price recorded a notable total YTD return of +34.8% as of 31<sup>st</sup> December 2025. This performance reflects investors' positive outlook on the strength of the company's financial position, the clarity of its strategy, and its ability to generate sustainable long-term value. It also reflects stc's position among companies listed on the Premier market of Boursa Kuwait, as well as its inclusion in the global equity indices of MSCI and FTSE Russell.



stc's share derives its strength from the robustness of the company's financial performance and its strict adherence to best governance practices, reinforcing investor confidence and supporting sustainable growth.

This strong momentum enhanced the attractiveness of the company's shares to a broader investor base, including growing interest from foreign investors, reflecting increased confidence in stc's commitment to the highest standards of governance, transparency, and compliance, alongside disciplined financial management and balanced operational performance. Supported by robust cash flows and solid financial liquidity, stc

continued to deliver added value and sustainable returns aligned with shareholders' expectations. Accordingly, the Board of Directors recommended the distribution of a cash dividend of 38 fils per share for the year ended 31 December 2025, subject to the approval of the company's Ordinary General Assembly.

### Moving Forward Toward a Promising Future

Kuwait Telecommunications Company (stc) looks ahead to further strengthening its financial resilience and maintaining a balanced financial structure through the optimal allocation of its financial resources in support of its digital transformation journey. stc continues to move forward with confidence into the next phase, reinforced by disciplined financial foundations and a clear vision for sustainable growth, anchored in the core pillars of its corporate strategy. This strategy focuses on enhancing the quality of growth across both the Consumer and Enterprise segments through targeted investments in core services, digital solutions, and leveraging artificial intelligence to enhance productivity, strengthen data-driven decision-making, and unlock new revenue streams across both Consumer and Enterprise segments.

stc's objectives include expanding the implementation of artificial intelligence across its operational processes and digital services to enhance operational efficiency, drive sustainable growth, and create long-term added value for its shareholders, in line with its strategic priorities and evolving market requirements.

We remain firmly committed to the highest standards of corporate governance, financial disclosure, and regulatory compliance, while strengthening engagement with the investment community to foster mutual trust. This commitment reinforces stc's position as a trusted investment partner in the telecom and ICT sector. Looking ahead, we will continue to build on our solid financial foundations to deliver sustainable growth and long-term value. In closing, I extend my sincere appreciation to the Board of Directors, executive management, employees, and our shareholders for their trust and unwavering support.

### Mr. Khalid Fahad Almayouf

Chief Financial Officer

# Engaging our Valued Stakeholders

At stc, we are committed to building and maintaining strong, trust-based relationships with our stakeholders.

Through open, transparent, and consistent communication, we engage meaningfully with investors, employees, customers, suppliers, government entities, and the local community. By taking a strategic approach, we ensure that stakeholder feedback is integrated into board discussions and business decisions, aligning us with their needs and positioning us to exceed their expectations.



## Our Investors and Shareholders

We reinforce our communication with investors through regular engagements, our annual report, our corporate website, and quarterly presentations, supported by a dedicated Investor Relations team. Our standalone Sustainability Report further advances communication on key environmental, social, and governance (ESG) topics and our performance in these areas.

By providing clear insights into our strategic initiatives, latest developments, and financial performance, we keep investors informed of our competitive positioning and sustainability efforts. We deliver these updates through virtual meetings, online channels, and in-person forums, ensuring that investors receive timely, transparent information. Our proactive corporate responses strengthen investor confidence and enhance stc's visibility in the global financial markets.



## Our Employees

Our focus on employee well-being and professional growth recognizes their essential role in achieving operational excellence. We empower our workforce through tailored training sessions and initiatives such as the "WithU" program, which fosters employee support and satisfaction. stc is deeply committed to employee development, investing in health, safety, and digital collaboration tools.

Employees are kept engaged in the company's daily operations through corporate newsletters, policy updates, and regular meetings between executive management and staff at all levels. These interactions encourage feedback on both daily operations and departmental outlooks, fostering a responsive and inclusive culture. stc supports remote work options to ensure business continuity during global challenges, alongside regular workshops, succession planning, and performance assessments.



## Our Suppliers and Business Partners

Our procurement and supplier relationship management teams foster strong connections with local and international suppliers, ensuring efficient management of contracts and procurement processes.

Through regular in-person and virtual meetings, we maintain strong lines of communication with suppliers who align with our standards and meet local and regional demands. Our enhanced digital integration in supplier management has streamlined procurement processes, fostering innovation and cost-efficiency in our operations.



## Regulators and Governmental Entities

We proactively comply with regulatory frameworks and maintain strong relationships with government and regulatory bodies in Kuwait. Our enhanced governance protocols, transparency, and thorough disclosures reflect the highest standards of accountability in all company activities.

By collaborating closely with authorities, we support national development goals, particularly in telecommunications infrastructure and the digital economy. Our Annual Report and Board Summary Report further underscore our commitment, detailing our internal audit practices, risk and compliance committee activities, and external audit processes.



## Our Customers

With a customer base of approximately 2.3 million, we are dedicated to delivering cutting-edge products and services that respond to evolving needs. Building on our 5G network, the rollout of 5G Advanced enhances speed, latency, and reliability, enabling more tailored services for consumers and enterprises in support of our customer-centric strategy.

Through strategic partnerships and an expanding digital ecosystem, we offer greater convenience and access to advanced solutions, solidifying our leadership in digital transformation. Direct feedback loops from customer interactions inform our service adjustments, while our flexible operating model and business continuity plan keep us agile. Our communication channels include social media, call centers, website chatbots, customer service offices, and the mystc KW app, providing direct, real-time support.



## Our Community

Expanding our sustainability initiatives and Corporate Social Responsibility (CSR) efforts, we have launched numerous initiatives focused on education, digital literacy, and environmental sustainability. We collaborate with government and nonprofit organizations to make a meaningful impact, from supporting local businesses in digital transformation to empowering communities with resources. Our specialized team represents stc in local media and public events, keeping stakeholders informed about our latest news, services, and market position.

Through targeted awareness campaigns and active partnerships that encourage employee volunteering, we foster entrepreneurship and digital innovation. We also collaborate closely with academic institutions by hosting awareness sessions, career fairs, and other relevant initiatives, contributing to the educational and professional development of Kuwait's youth.

# Risk Management

The telecommunications industry is currently facing a major shift. The demand for traditional voice services is declining, while data consumption is growing exponentially, a trend accelerated by the pandemic. This rapid digital transformation, driven by new technologies, is forcing telecom companies to rethink their business models and innovate quickly.



## Key Challenges and Strategic Imperatives

In a crowded market, telecom providers must stand out by offering superior services. This requires significant investment in infrastructure, strict data protection protocols, and compliance with all regulatory frameworks. To thrive, companies must adapt promptly, expand their service offerings, and provide seamless customer experience to gain a competitive edge.

At stc, risk management is a core part of the strategic framework. It informs business planning, helps evaluate performance, and ensures that risk is considered in all critical decisions to maximize positive outcomes. This comes with the aim of enhancing the company's ability to achieve sustainable positive results, while reducing exposure to risks that could negatively impact stability and business continuity.

At stc, we prioritize effective risk management to protect value, ensure business continuity, and navigate the evolving challenges of the telecommunications industry through our robust Enterprise Risk Management (ERM) framework.

Principles

# What is stc's Approach to Enterprise Risk Management (ERM)?

stc has a comprehensive and dynamic Enterprise Risk Management (ERM) framework in place to proactively manage business risks. This system is designed to identify, assess, prioritize, and mitigate risks across all stc's operations.

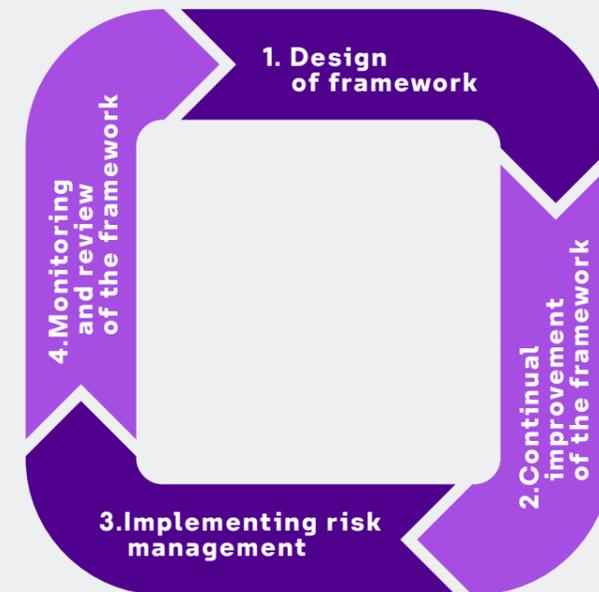
## Key Aspects of the ERM Framework

- **Holistic and Embedded:** The ERM process is integrated into the company's operations, allowing stc to take a holistic approach to risk management. This helps stc to make meaningful comparisons and supports the achievement of its strategic objectives.
- **Structured Process:** The framework defines clear roles and responsibilities and outlines a consistent, end-to-end process for identifying and managing risks. A core component of this is the monthly risk assessment.
- **Strong Governance:** The Board of Directors maintains the highest standards of corporate governance by regularly reviewing and adopting best practices. The Board has established the Board Risk Management Committee to oversee the ERM framework, risk strategy, and related policies. This committee also monitors the risk management system and reviews the organization's top risks.
- **Independent Function:** The risk management function operates independently of stc's business groups and sectors.
- **Continuous Improvement:** stc's approach is constantly being enhanced to enable more dynamic risk detection, model the connections between different risks, and use data to improve risk visibility and responses. stc's commitment to industry-leading practices is further demonstrated by its ongoing attainment of ISO 31000 attestation.
- **Consistent Evaluation:** A standard risk scoring methodology has been developed to ensure consistency when reporting and evaluating risks. The results from this process are consolidated to determine the principal risks and uncertainties for the entire organization.

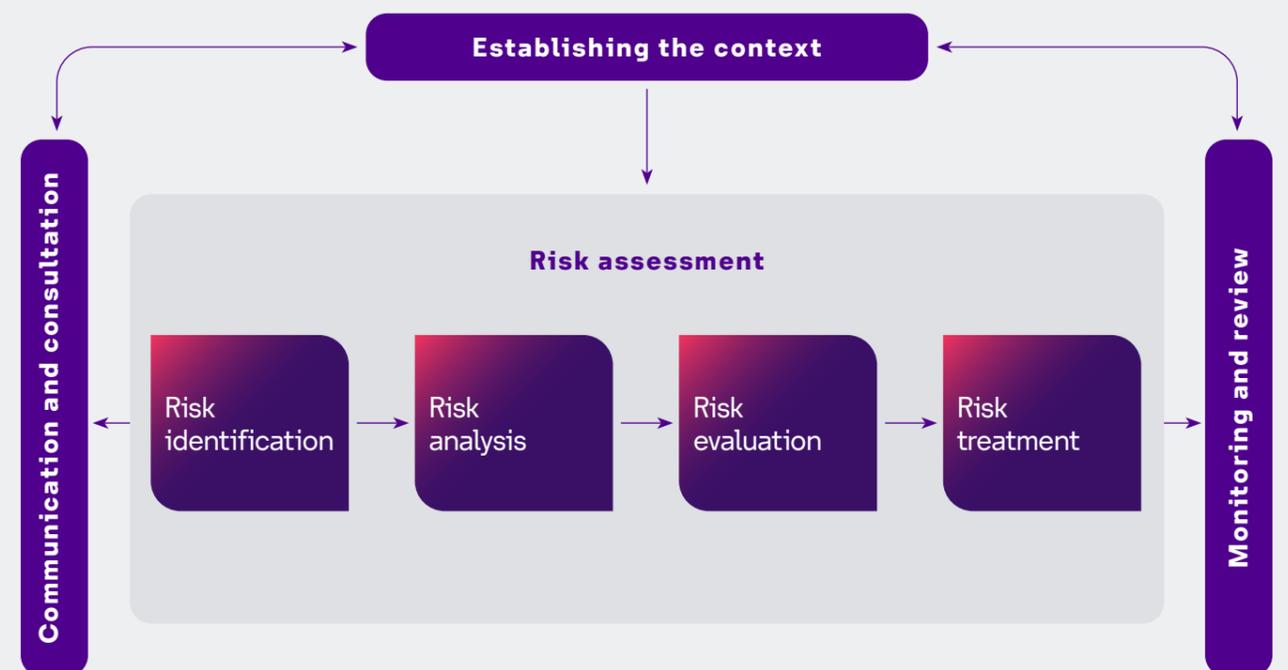
1. Creates value
2. Integral part of organizational processes
3. Part of decision-making
4. Explicitly addresses uncertainty
5. Systematic, structured, and timely
6. Based on the best, available information
7. Tailored
8. Takes human and cultural factors into account
9. Transparent and inclusive
10. Dynamic, interactive, and responsive to change
11. Facilitates continual improvement of the organization

Framework

Mandate and Commitment



Processes



# Risk categories

Risk Family Category 1	01 Corporate Risk	02 Operational Risk	03 Technology Risk	04 Financial Risk	05 Legal and Compliance Risk
Risk Family Category 2	1.1 Governance	2.1 Service Delivery	3.1 Information Technology	4.1 Market	5.1 Compliance
	1.2 Strategy	2.2 Sales and Marketing	3.2 Network Operations	4.2 Liquidity	5.2 Legal
	1.3 Program Management	2.3 Supply Chain	3.3 Cybersecurity	4.3 Foreign Exchange	5.3 Regulatory
	1.4 Planning and Resource Allocation	2.4 People/Human Resources	3.4 Data Privacy	4.4 Interest Rate	
	1.5 Major Initiatives	2.5 Revenue Management	3.5 Data Integrity	4.5 Investments	
	1.6 Mergers, Acquisition and Divestiture	2.6 Physical Assets	3.6 Artificial intelligence	4.6 Credit	
	1.7 Market Dynamics	2.7 Intangible Assets		4.7 Accounting and Reporting	
	1.8 Communication and Investor Relations	2.8 Project Management		4.8 Tax and Zakat	
	2.9 Business Continuity		4.9 Capital Structure		
	2.10 Environment, Health and Safety		4.10 Fraud		
			4.11 Revenue Leakage		

The risk categories classify all risk source types that could affect stc into five main silos known as Category 1 risks. For easier management and communication, Category 1 risks are broken down into Category 2 risk types and, in some instances, these are further subdivided into Category 3 and 4 risk types. Furthermore, the ERM will be the custodian to the risk families and has the authority to add or reclassify them.

# Residual Risk Rating

**Residual Risk Scoring:** quantifies the mitigating effects of existing controls on Likelihood Score. The calculated residual scores result in an attention score or index:

Impact Rating	Likelihood Rating	Control Effectiveness				
		Complete	Substantial	Partial	Minimal	Missing
Severe	Almost Certain					
	Likely					
	Possible					
	Unlikely					
	Remote					
Major	Almost Certain					
	Likely					
	Possible					
	Unlikely					
	Remote					
Moderate	Almost Certain					
	Likely					
	Possible					
	Unlikely					
	Remote					
Minor	Almost Certain					
	Likely					
	Possible					
	Unlikely					
	Remote					
Insignificant	Almost Certain					
	Likely					
	Possible					
	Unlikely					
	Remote					

Critical   Substantial   Manageable   Marginal   Negligible



## Identifying Risks

The Risk Management Department at stc helps all sectors/subsidiaries in identifying and assessing potential risks to their strategies and operations.

The department creates a consolidated list of these risks and presents it regularly to senior leaders and executives. This allows them to evaluate the risks from a Group-wide perspective, determine which ones are critical, and identify emerging threats that need further investigation.

Before being submitted to the Board Risk Management Committee and the Board for final review and approval, these critical risks are defined and agreed upon by the Management Risk Committee.

## Monitoring Risks

stc prepares a quarterly risk report for the Board Risk Management Committee that outlines stc's main risks. This report provides a transparent view of individual risk developments and the overall risk situation, keeping the committee informed about the latest changes to the risk management system.

To enhance its risk management and oversight, stc is continually improving its technology tools. These improvements are designed to facilitate better reporting, analysis, assessment, and management of risk information. Additionally, stc has refined its Key Risk Indicators (KRIs) to strengthen risk monitoring, ensuring more robust oversight and proactive management of risks.



## Managing Risks

To properly manage its risks, stc first categorizes them to understand their context and environment. Each risk is assigned to a specific category — such as corporate, technology, operational, financial, or compliance — and is identified as being either an internal or external threat.

This process helps to determine the best way to handle each risk and ensures it gets the right level of oversight. Executive risk owners are accountable for ensuring that adequate controls and treatment plans are in place to keep risks within acceptable tolerance levels.

stc continuously monitors the progress of these risk treatment strategies throughout the year and conducts in-depth reviews of all its risks.

## Risk Mindset and Culture

At stc, a strong risk culture is fostered through a combination of leadership and internal systems. stc's management sets the tone, establishing clear expectations and behaviors that promote risk awareness across all business activities.

### How stc Promotes a Risk-Aware Culture

- **Employee Empowerment:** stc promotes timely and effective risk interventions, helping employees make informed decisions and improve operational integrity.
- **Widespread Communication:** stc communicates expected behaviors to every employee, integrating risk awareness into the core of its corporate culture.
- **Training and Formalization:** A continuous program of training and communication is in place to support this. Additionally, defined roles formalize risk management, ensuring that risk procedures are consistently integrated into key decision-making processes.

## Risk Appetite Statement

The Risk Appetite Statement is a core element of stc's ERM framework, defining the level and types of risks stc is prepared to take in pursuit of strategic goals and long-term value. It sets clear boundaries for acceptable risks, guiding decision-making across all operations.

stc follows an "Open" risk appetite in strategic areas such as Digital Transformation, Customer Satisfaction, Service Sustainability, Employee Growth, and Third-Party Risk Management, supported by strong mitigation controls. At the same time, stc maintains a cautious stance on regulatory, legal, and ethical risks.

Regularly reviewed and approved by the Board, the Risk Appetite Statement evolves with industry trends, market conditions, and strategic priorities, ensuring a balanced approach that protects the stc's objectives while enabling growth.

## Risk Management Highlights

In its journey toward excellence in risk management, stc is reinforcing its position as a forward-looking and resilient organization. A key achievement was the comprehensive review and re-assessment of stc's Risk Framework in line with stc Group. This effort ensured alignment with evolving strategic priorities and established a robust foundation for governing risk-taking activities, enabling more informed and balanced decision-making at all levels.

Finally, stc has continued to focus on expanding its coverage of risks, ensuring a comprehensive understanding of exposures across its operations. Rigorous efforts were made to strengthen existing controls and implement robust mitigation strategies, further securing the organization against an increasingly complex and dynamic risk environment. These achievements collectively reflect stc's unwavering commitment to safeguarding its future while driving sustainable growth.

## Risk Management Mitigations

To build on these achievements, stc continues to implement a comprehensive set of Risk Mitigation measures, including:

- **Strengthening Governance:** Ongoing refinement of the Risk Framework to ensure alignment with stc Group standards, ISO 31000, COSO and industry best practices.
- **Enhanced Risk Monitoring:** Deployment of advanced tools and analytics to identify, assess, and monitor emerging risks in real time.
- **Robust Internal Controls:** Continuous reinforcement of internal control mechanisms to minimize operational, financial, and compliance risks.
- **Capacity Building:** Regular training and awareness programs to equip employees with the knowledge and skills required for effective risk management.
- **Scenario Planning & Stress Testing:** Conducting simulations to assess the potential impact of adverse events and prepare proactive response plans.
- **Integrated Risk Reporting:** Strengthening risk reporting frameworks to provide timely, transparent, and actionable insights for decision-makers.



# Principal Risks

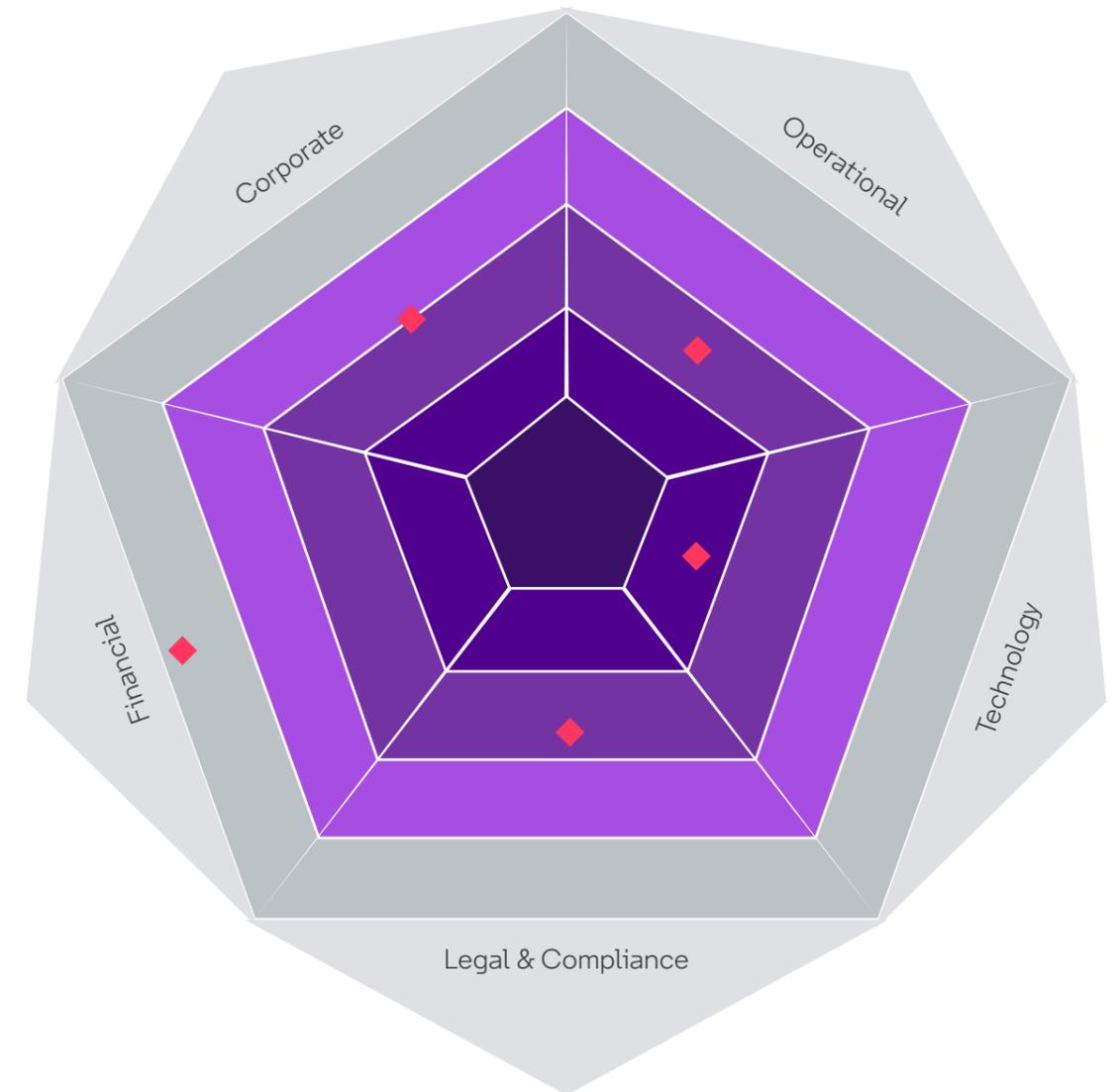
Category	Risk	Mitigation
<b>Technology</b>	Cyber Security Threats	<ul style="list-style-type: none"> <li>24/7 monitoring of network performance and security to quickly identify and resolve issues</li> <li>Vendor risk management to ensure the reliability of third-party providers and contractors</li> <li>Regular maintenance and software updates to ensure systems remain secure and reliable</li> <li>BCM/Redundancy planning (e.g., backup systems, failover mechanisms) to prevent service disruption</li> <li>Disaster recovery plans to recover from potential failures or attacks</li> </ul>
<b>Financial</b>	Credit, Market, Liquidity	<ul style="list-style-type: none"> <li>Conducting regular financial audits, risk assessments, and process reviews, along with continuous monitoring through Key Risk Indicators and Risk Appetite, to ensure the early detection of potential financial issues</li> <li>Risk hedging (e.g., insurance, currency hedging) to mitigate unexpected market fluctuations</li> <li>Cash flow management and contingency planning for economic downturns</li> <li>Budgeting and forecasting to ensure proper allocation of resources</li> </ul>
<b>Operational</b>	Environmental, Health & Safety	<ul style="list-style-type: none"> <li>Health and safety policies that adhere to local and international standards</li> <li>Employee training on safety protocols and emergency response procedures</li> <li>Regular risk assessments to identify hazards and develop safety strategies</li> <li>Compliance with environmental regulations (e.g., sustainability program, waste management, carbon footprint reduction)</li> </ul>
<b>Legal and Compliance</b>	Unfavorable regulatory changes impacting its current business model	<ul style="list-style-type: none"> <li>Regular monitoring of regulatory changes and updates</li> <li>Legal department involvement to stay ahead of new and evolving regulations</li> </ul>
<b>Corporate</b>	Governance and Internal Control	<ul style="list-style-type: none"> <li>Clear organizational structure and policies to ensure proper oversight</li> <li>Periodic Board Meeting and Board-level risk oversight, and strong internal control frameworks to ensure compliance with corporate governance</li> <li>Regular reviews of governance practices and the effectiveness of internal audits and risk assessment/process review</li> <li>Transparent communication with stakeholders to build trust and ensure compliance with ethical standards</li> </ul>

As a leading entity in the global telecommunications and information technology arena, stc navigates a landscape rife with uncertainties and rapid change. Success in this dynamic environment is predicated on its proactive anticipation of potential developments and the systematic identification, evaluation,

and management of the consequent risks and opportunities. stc regards an efficacious risk and opportunity management system as an indispensable component of its value-driven corporate governance.

In the risk evaluation phase, it categorizes risks into corporate, technology, operational, financial, and legal and compliance domains. This classification enhances its comprehension of each risk's unique characteristics and informs its management approach, allowing it to craft tailored oversight and assurance strategies. The key risks affecting stc remain largely unchanged from last year.

The material risks, including environmental and social exposures, are detailed below, along with the strategies employed to manage them.



## Forward looking

As we move into the year ahead, stc remains steadfast in its commitment to strengthening enterprise risk management (ERM) practices to support sustainable growth and strategic excellence. Our focus will be on proactively identifying, assessing, and mitigating both existing and emerging risks that could influence the successful achievement of our business objectives and internal control.

By enhancing our comprehensive and structured ERM framework, we aim to bolster organizational resilience and agility, enabling us to effectively navigate an evolving risk landscape marked by economic uncertainty, technological disruptions,

and regulatory changes. This approach will not only safeguard our assets and reputation but also position us to capitalize on new opportunities for value creation.

Equally important, stc will continue fostering a culture of risk awareness across all levels of the organization, embedding risk considerations into decision-making processes and operational practices. Through training, collaboration, and the use of advanced risk analytics, we will ensure that risk management becomes an integral part of our corporate DNA-driving long-term sustainability, stakeholder confidence, and strategic success.

## Business continuity

stc's unwavering commitment to business continuity management (BCM) reflects its strategic focus on safeguarding national resilience, operational integrity, and the trust of its stakeholders.

stc's BCM strategy is underpinned by adherence to international standards, such as ISO 22301, with comprehensive training programs for its teams in DRI and BCI standards. This equips stc with cutting-edge capabilities to ensure readiness and response excellence. Over the past year, it has achieved significant milestones, including successfully executing over 48 BCM exercises, spanning all critical functions and incorporating interdepartmental collaboration. These rigorous tests have strengthened its recovery strategies, validated its business continuity plans (BCPs) and reinforced its ability to maintain seamless operations under any circumstance. To ensure measurable and transparent performance, stc

employs strict Key Performance Indicators (KPIs) across all BCM activities, underscoring its disciplined approach to maintaining the highest levels of preparedness and reliability. Through 23 continuous business impact analyses (BIAs) and iterative improvement cycles, it has elevated its BCM maturity, ensuring alignment with national and international resilience mandates. Moreover, stc has harnessed the power of digital transformation to enhance the agility, scalability and efficiency of its business continuity management system (BCMS). These initiatives have modernized its operations and fortified its capacity to adapt swiftly to evolving challenges. Recognizing the importance of a skilled workforce, stc has invested in extensive training and professional development programs in BCM, crisis management, incident response, and disaster recovery. This ensures that its employees remain at the forefront of resilience disciplines, empowering them to respond effectively to crises and disruptions.



# 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.

Consumer Segment	62
Enterprise Segment	66
Technology Sector	70

61,233,766	0.2545	61,68,310	0.2%		0.0593	
7,419,332	0.8293	22,650,209	31.2%	DOWN	0.8173	
5,287,408	0.2498	5,618,719	2.8%	STABLE	HOLD	0.8300
4,879,37	0.7951	64,367,116	7.0%	DOWN	0.1901	
8,918,718	0.6669	32,750,5	15.3%	STABLE	0.0593	
5,461,588	0.9643	75,210,668	18.6%	DOWN	SALE	0.7304
8,131,687	0.6732	38,993,243	24.6%	DOWN	0.3074	
8,131,687	0.6732	38,993,243	10.7%	DOWN	SALE	0.6201
2,284,915	0.4649	58,136,451	9.4%		0.6589	
9,80,128	0.0935	13,170,52	15.3%	STABLE	0.7951	
0,484,745	0.9868	86,141,794	31.9%		0.4340	
3,49,327	0.3256	66,957,759	19.7%	STABLE	HOLD	0.7951
2,722,951	0.5007	87,606,124	4.3%	DOWN	0.3185	
5,461,588	0.9643	75,210,668	35.1%	UP	BUY	0.1434
9,721,826	0.9195	42,579,182	0.6%	UP	0.9001	
1,599,621	0.0497	72,822,178	23.3%		0.1644	
1,157,559	0.0560	91,154,685	27.6%	STABLE	0.8293	
7,419,332	0.8293	22,650,209	26.1%	DOWN	SALE	0.3912
4,35,354	0.3022	82,428,569	31.2%	DOWN	0.1202	
6,218,935	0.8286	83,221,503	15.9%	STABLE	HOLD	0.8622
6,908,72	0.7136	54,168,825	34.4%		0.9374	
6,483,875	0.6550	46,76,850	23.3%		0.3351	
7,204,753	0.4347	32,482,122	15.1%		0.3930	
4,19,141	0.7645	25,817,278	7.7%	DOWN	SALE	0.9746
0,756,158	0.3912	84,841,809	10.4%	STABLE	0.0000	
8,131,687	0.6733	38,993,243	9.4%		0.0000	
2,284,915	0.4649	58,136,451	9.4%	UP	0.0000	
9,80,128	0.0935	13,170,52	15.3%		0.0000	

# 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.

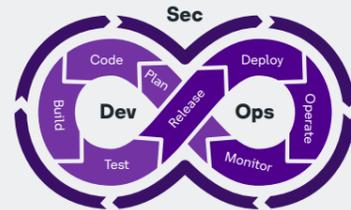
■ stc launched a new Campaign Management solution with a next-generation platform designed to strengthen customer engagement and loyalty through advanced targeting, real-time insights, and improved campaign execution.

■ 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.



# Our Sustainability Vision for 2025

In 2025, stc Kuwait is redefining what sustainability means for a digital-first organization. Our vision goes beyond compliance, it is about creating shared value for our stakeholders and society while accelerating Kuwait's digital transformation. Sustainability is embedded in every decision we make, from network infrastructure to customer experience, ensuring that innovation and responsibility go hand in hand.

This year marks a turning point as we integrate ESG principles deeper into our business model. We are committed

to reducing our environmental footprint, empowering communities through technology, and maintaining the highest standards of governance. By leveraging advanced technologies such as AI, automation, and smart energy solutions, we aim to deliver sustainable growth that aligns with Kuwait's Vision 2035 and global sustainability frameworks.

Our vision is clear: to lead the telecom sector in ESG performance, foster resilience in a rapidly changing world, and create a future where connectivity drives progress for all.

## The ESG Momentum: Driving Change in 2025

The world is experiencing an unprecedented shift toward sustainability, and 2025 stands out as a defining year for action. Global challenges such as climate change, resource scarcity, and social inequality are reshaping expectations for businesses, governments, and communities. ESG performance is no longer a secondary metric, it is a core driver of resilience, competitiveness, and trust.

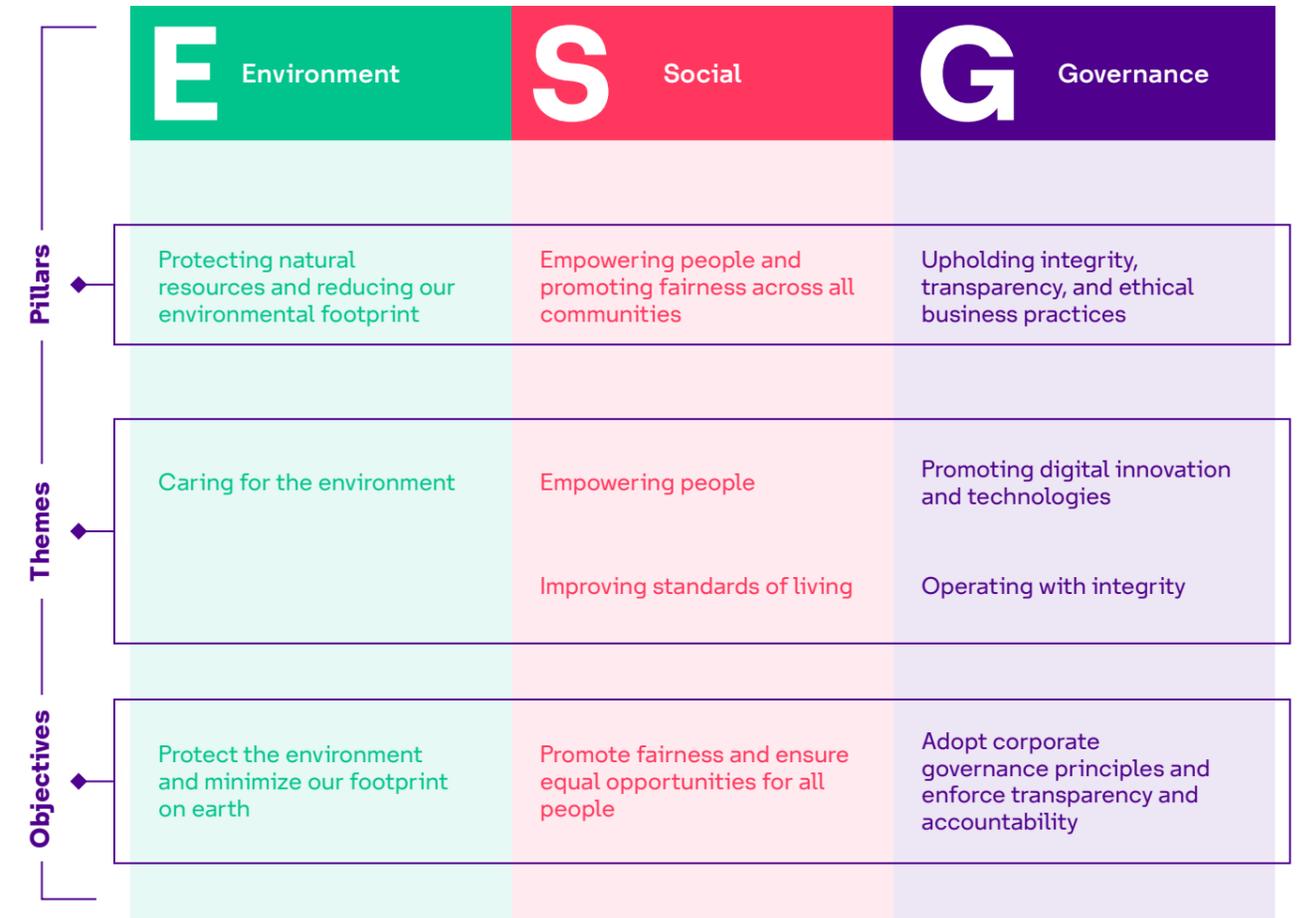
In Kuwait, this momentum aligns with Vision 2035, which emphasizes economic diversification, environmental stewardship, and digital transformation. As a leading telecom and ICT provider, stc Kuwait is uniquely positioned to accelerate this vision. Our infrastructure and services are not just enablers of connectivity; they are catalysts for sustainable progress.

The ESG momentum is clear: stakeholders demand transparency, measurable impact, and innovation that serves both business and society. At stc Kuwait, we embrace this challenge as an opportunity to lead. By leveraging advanced technologies and embedding sustainability into every decision, we aim to create solutions that are inclusive, responsible, and future-ready.



## Our Sustainability Themes and Objectives

At stc Kuwait, sustainability is guided by a clear framework built on three pillars: Environment, Social, and Governance; supported by strategic themes and objectives that shape our actions and impact.



These pillars, themes, and objectives serve as the foundation for our sustainability strategy, ensuring that every initiative contributes to long-term value creation for our stakeholders and society.

# Our Strategic ESG Priorities

In 2025, stc Kuwait sharpened its focus on four strategic ESG priorities that define our sustainability roadmap and guide every initiative:

These priorities reflect our commitment to creating long-term value for stakeholders while contributing to Kuwait's Vision 2035 and global sustainability goals.

## 1 Governance Excellence and Transparency

Strong governance underpins sustainable growth. We continue to strengthen our compliance frameworks, enhance risk management, and adopt global reporting standards to ensure transparency and accountability. Our Sustainability Steering Committee plays a pivotal role in embedding ESG principles across all operations.

## 2 Employee Well-being and Engagement

Our people are the foundation of our success. We prioritize mental health, flexible work models, and career development programs that foster a supportive and inclusive workplace. By investing in our employees, we build resilience and drive innovation.

## 3 Decarbonization and Energy Efficiency

Reducing emissions and optimizing energy use remain at the core of our environmental strategy. We are accelerating the transition to cleaner energy sources, deploying hybrid power solutions, and investing in smart technologies that minimize our carbon footprint.

## 4 Digital Inclusion and Social Empowerment

Connectivity is a catalyst for progress. Our goal is to bridge the digital divide by expanding access to advanced technologies, fostering digital literacy, and empowering communities through education and innovation. We are committed to creating opportunities for youth and women in tech, ensuring inclusivity in Kuwait's digital economy.

### Driving Impact Through Innovation

Innovation is at the heart of stc Kuwait's sustainability journey. In 2025, we are leveraging advanced technologies to create solutions that reduce environmental impact, enhance operational efficiency, and deliver superior customer experiences. Our approach is rooted in the belief that digital transformation and sustainability are inseparable.

Artificial Intelligence (AI) and automation are enabling smarter network management, reducing energy consumption, and minimizing downtime. Through predictive analytics and intelligent monitoring, we optimize resource use

and improve reliability. Our transition to paperless processes, digital billing, and e-contracts has significantly reduced waste while streamlining customer interactions.

Beyond operational improvements, innovation drives social impact. We are expanding digital literacy programs, introducing AI-powered learning tools, and fostering partnerships that empower communities to thrive in a connected world. By embedding sustainability into our technological roadmap, we ensure that every innovation contributes to a greener, more inclusive future.

### Governance & Accountability Framework

Strong governance is the foundation of sustainable growth. At stc Kuwait, we believe that transparency, accountability, and ethical practices are essential to building trust and delivering long-term value. In 2025, we took a major step forward by establishing the Sustainability Steering Committee (SSC), a dedicated governance body that ensures ESG principles are embedded across all levels of the organization.

The SSC, chaired by the CEO and supported by senior executives, provides strategic oversight and drives alignment between sustainability objectives and business priorities. This committee

monitors ESG performance, approves key initiatives, and ensures compliance with regulatory requirements and international standards.

We have adopted globally recognized frameworks such as Global Reporting Initiative (GRI) and Sustainability Accounting Standards (SAS) to enhance the quality and comparability of our disclosures. Regular audits, risk assessments, and stakeholder engagement sessions reinforce our commitment to integrity and continuous improvement. By maintaining robust governance structures, we ensure that sustainability is not just a goal, it is a core part of how we operate.

# Embedding Sustainability Across Our Value Chain

Sustainability at stc Kuwait is not confined to isolated projects, it is integrated across our entire value chain. From network operations to customer engagement, we embed ESG principles into every process to ensure measurable impact.

## Environmental Responsibility

We are advancing initiatives that reduce energy consumption and minimize waste. Our transition to hybrid power solutions and on-grid conversions significantly lowers emissions, while partnerships with local recyclers promote circular economy practices. By adopting smart energy systems and digital platforms, we aim to achieve operational efficiency without compromising environmental stewardship.

## Social Empowerment

Our commitment to people extends beyond connectivity. We foster diversity and inclusion, provide mental health support, and invest in career development programs that empower employees. Community engagement remains a priority, with initiatives focused on education, youth development, and digital literacy to bridge the technology gap.

## Governance Integrity

Ethical business conduct and compliance are non-negotiable. We maintain robust risk management frameworks, enforce anti-corruption policies, and ensure transparency through regular audits and disclosures. By embedding governance into our operations, we strengthen trust and resilience across the organization.

Through these integrated efforts, sustainability becomes a shared responsibility; driving progress for our stakeholders, society, and the environment.

# Future Outlook: Building a Resilient 2026

As we look ahead, stc Kuwait remains committed to accelerating its sustainability journey through bold, measurable actions. Our roadmap for 2026 focuses on three key areas:

## Strengthening ESG Governance and Reporting

We will enhance transparency through advanced reporting tools, stakeholder engagement platforms, and alignment with global standards to ensure accountability and trust.



## Expanding Renewable Energy Adoption

We will continue transitioning network sites to cleaner energy sources, reducing reliance on diesel generators, and investing in smart energy systems that optimize efficiency.



## Deepening Digital Inclusion

Our goal is to bridge the technology gap by expanding access to advanced connectivity, fostering digital literacy, and supporting innovation programs that empower youth and entrepreneurs.



By embedding sustainability into every aspect of our business, we aim to create a future that is inclusive, resilient, and aligned with Kuwait's Vision 2035. Together with our stakeholders, we will transform challenges into opportunities and lead the way toward a sustainable digital economy.

## stc Kuwait Sustainability Achievements – 2025

In 2025, stc Kuwait made significant strides in advancing its sustainability agenda, aligning with global ESG standards and the Group's vision. Our efforts focused on environmental stewardship, digital transformation, employee well-being, and governance, reinforcing our commitment to creating long-term value for stakeholders. This year marked a turning point as we integrated sustainability deeper into our operations and culture, ensuring that every initiative contributes to a greener, more responsible future.

### Governance and Reporting

One of the most notable achievements to strengthen our governance was the **establishment of the Sustainability Steering Committee (SSC)**, chaired by our CEO and comprising senior executives. This committee provides strategic oversight, approves sustainability projects, monitors ESG KPIs, and ensures compliance with regulatory standards. Through these measures, we have embedded sustainability into decision-making processes across the organization.

Another major achievement was the publication of stc Kuwait's second standalone Sustainability Report, a testament to our transparency and alignment with international frameworks.

### Environmental Impact

Our environmental initiatives delivered measurable impact. **Diesel generator sites were cut by 31%**. We successfully transitioned 20 network stations from diesel to electric power, reducing reliance on fossil fuels, and hybrid solutions were implemented, reducing generator runtime from 24 hours to just 30 minutes daily. These changes not only lowered emissions but also generated significant cost savings.

Relocating to Assima Tower, a green building, further reinforced our commitment to sustainability. The new headquarters integrates advanced

systems that **significantly reduce environmental impact and optimize resource efficiency**. Among its key features are an ice tank storage system that enhances cooling efficiency, smart meters for electricity that allow real-time monitoring and control, and an automated building management system that centralizes oversight of HVAC, lighting, and other utilities. The building also includes a smart elevator management system that ensures efficient use of elevators and minimizes energy consumption. Additional measures include energy-efficient air circulation systems supported by Variable Air Volume (VAV) HVAC technology, the strategic use of natural daylight to reduce reliance on artificial lighting, and motion sensors for lighting and water fixtures to prevent unnecessary usage. During the relocation process, we maintained our focus on waste reduction by **recycling approximately 350–400 kilograms of paper and 1.63 tons of e-waste** through our partner Tadwire.

We also strengthened our circular economy efforts by partnering with Kiswa, **recycling 200 kilograms of clothing in Q4, and Naemati**, a Kuwaiti initiative dedicated to reducing food waste and protecting the environment.

### Digital Transformation

In 2025, stc Kuwait accelerated its efforts to transform the customer experience through comprehensive digitalization. **We replaced traditional paper-based processes with innovative solutions** that streamline interactions and reduce environmental impact. Paperless forms were introduced, enabling customers to complete transactions electronically with ease. Our QMatic system eliminated paper tickets by shifting to QR-Code notification, ensuring a seamless and efficient service experience. Additionally, the rollout of a robust CRM platform delivered an end-to-end digital journey, from contract handling to e-invoicing and WhatsApp integration. These initiatives not only minimized paper consumption but also enhanced convenience, speed, and accessibility for our customers.

### Innovation and AI

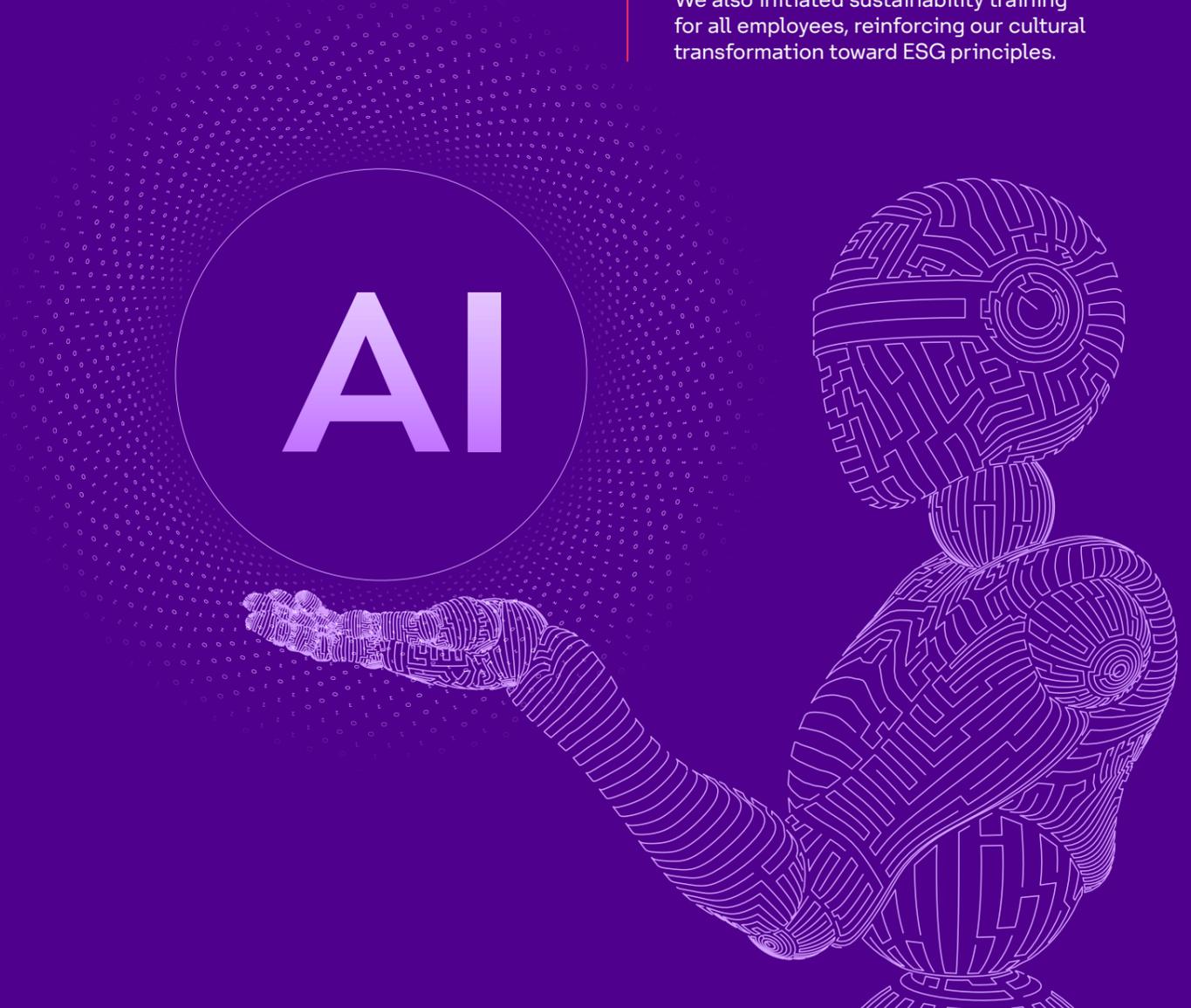
Innovation played a pivotal role in 2025. As part of our move to our new head office, we deployed nine AI-enabled systems to detect network issues and introduced AI use-cases in call-center operations.

Our flagship event, AI Week, held from December 2–4, featured keynote sessions, ten AI labs, and participation from global leaders such as Google and Microsoft to help **raise our staff awareness and understand of the various AI tools** and how to integrate them into their daily workload. To build future capabilities, we launched recruitment initiatives, including university roadshows and a strategic partnership with Coded.

### Employee Well-being and Engagement

Our people are at the heart of our sustainability journey. In 2025, we organized mental health and family day events, youth focus groups, and awareness campaigns to foster a supportive work environment. Annual initiatives such as blood donation and breast cancer awareness continued to strengthen our social impact.

The **Employee Experience Index** improved dramatically over the past three consecutive years, **rising from 60.3 to 75.8 then surpassing 88**, placing us among the top companies in the Group. Workplace enhancements, including rest areas and upgraded lounges, complemented our flexible work approach. We also initiated sustainability training for all employees, reinforcing our cultural transformation toward ESG principles.



# AI



# Corporate Governance Report

## Introduction

### Corporate Governance Overview

Building on the well-established approach adopted by Kuwait Telecommunications Company (stc) over the past years in the optimal implementation of corporate governance rules, in accordance with the provisions of Book Fifteen of the Executive Bylaws of Law No. (7) of 2010 regarding the Establishment of the Capital Markets Authority and the Regulation of Securities Activity and its subsequent amendments, the Company continues to reinforce the principles of transparency and commitment as two fundamental pillars across all its operational and strategic decisions.

Believing in the importance of enhancing governance standards and adopting best international practices, the Board of Directors has strengthened the Company's ability to achieve outstanding financial and operational performance and to sustain long-term success. This aligns with stc's strategic vision aimed at fostering shareholders' and investors' confidence and ensuring business continuity.

### Investment Management Committee

As part of enhancing corporate governance and strategic oversight, the Investment Management Committee was established at the beginning of 2025 to support the executive management in setting and guiding the Company's investment strategy.

The Committee plays a pivotal role in:

- Developing and reviewing investment strategies.
- Evaluating new investment opportunities.
- Approving investment proposals; and
- Monitoring the performance of approved projects.

The Committee ensures that all investment decisions are aligned with the Company's long-term objectives, prevailing market dynamics, and acceptable levels of risk. Through its oversight, the Committee contributes to the sustainable growth and sound financial positioning of the Company in line with its strategic aspirations.

### Commitment to Governance Excellence and Sustainability

stc continuously strives to be a leading model of innovation, efficiency, and leadership within Kuwait's telecommunications and digital transformation sector. The Company achieves this by adopting a comprehensive governance framework that aligns with the Capital Markets Authority's instructions and guidelines while reflecting best global practices in this field.

Moreover, the Company seeks to contribute to shaping a sustainable future for the local community through purposeful initiatives and a long-term vision built on accelerated growth and continuous development.

### Ethical Conduct and Corporate Culture

In this regard, stc places great importance on fostering a culture of professional conduct and ethical values within and beyond the workplace, recognizing its positive impact on enhancing corporate reputation and reinforcing the Company's leading position in the market.

Within this framework, the Company has adopted three core ethical principles under the slogan "with our integrity, we go further," derived from its core values of dedication, dynamism, and daring.



## Governance Awareness and Compliance Culture

Furthermore, stc is committed to raising employees' awareness of governance, disclosure, and compliance concepts through periodic newsletters and awareness initiatives. These initiatives aim to strengthen the culture of corporate compliance and ensure that all employees recognize the importance of governance in embedding fairness, transparency, and integrity within the work environment.

### Awards and Achievements

In parallel with this, stc has been keen to develop and adopt management systems aligned with international standards. The company obtained the ISO/IEC 27001:2022 certification for its Information Security Management System, reflecting its commitment to protecting the confidentiality, integrity, and availability of information and ensuring compliance with relevant legal requirements.

stc also obtained the ISO 37301:2021 certification for Compliance Management Systems, becoming the first company in Kuwait to achieve this significant milestone. This step reflects the company's commitment to maintaining the highest standards of compliance at both the local and international levels. The ISO 37301:2021 certification serves as evidence of the company's success in strengthening a culture of compliance, implementing laws and regulations, and building trust with all stakeholders, including customers, shareholders, and regulatory authorities.

These efforts contribute to building an organizational culture founded on responsibility, accountability, and the highest standards of professional performance, reflecting the Company's aspirations to achieve its strategy and sustain a solid and reputable market position.

In line with this approach, stc has achieved numerous accomplishments in the field of governance at both the local and international levels. stc Kuwait was recognized at the GBO Awards by receiving the award for "Best Telecommunications Company in Corporate Governance – 2025," marking the second consecutive year the company has received this award (2024 and 2025). This recognition reflects the sustainability of its commitment to applying the highest standards of corporate governance and embedding best practices at the institutional level.

The Corporate Affairs Sector was also honored with the "Best Leadership in Compliance and Corporate Governance Initiatives – Telecommunications Sector 2025" award, in recognition of its role in embedding effective compliance and corporate governance practices across the company.

From this standpoint, the rules and principles of governance applied at stc include a set of principles and standards that constitute the general framework of governance, presented in detail as follows:

## Rule (1): Construct a Balanced Board Composition

The Board of Director's role represents the point of balance that works to achieve Shareholders' objectives and follow-up with the Executive Management. The Board of Directors seek to achieve the strategic goals by ensuring that the Executive Management performs all the tasks entrusted. It also seeks to include aspects of sustainability represented by environmental, social, and governance issues into its operations (where needed).

Since the Board of Directors' decisions have a significant impact on the company's performance and the soundness of its financial position, stc is keen to form a balanced, qualified board of directors with diverse experiences to have

a positive impact on it, thereby improving its performance, financial situation, and market share. Therefore, stc has ensured that the majority of Board Members are non-executive directors, including two independent members. It has also ensured that the Board of Directors includes members with diverse and extensive experience in the fields of communications and networks, as well as accounting and finance, which contributes to the expertise required when discussing the topics presented to the Board.

# The Board of Directors of stc



**Dr. Mahmoud Ahmad  
Abdulrahman**

Chairman - Non-Executive  
Independent member

Dr. Abdulrahman combines large experience in administration, legal affairs and communication sector. He assumed several Academic leadership positions in the Ministry of Higher Education besides his career in legal work when serving many governmental and public entities, and was appointed as an arbitrator to settle several disputes. He had served as a Board Member in Wataniya Mobile Telecommunication Company, Warba Bank, Kuwait Cement Company, and National Offset Company.

Dr. Abdulrahman joined the teaching staff in the College of Law on graduating from Kuwait University. In 1995, he was appointed as Legal Affairs Director in Kuwait University for one year. From 1997 to 2005, he served as Head of Legal Office the Kuwait Civil Aviation Directorate.

From 2002 to 2004, he served as Assistant Dean of the College of Law at Kuwait University. From 2005 to 2023, Dr. Abdulrahman served as Legal Department Director in the Kuwait Investment Authority.

Moreover, Dr. Abdulrahman has published several legal theses in the Law Magazine and other scientific magazines as well as executed two projects relating to consumer protection law and the monopoly and merger law, which were submitted to the Kuwait National Assembly.

Dr. Abdulrahman holds a PhD in Commercial Law from Exeter University, UK, completed in 1994, and a Bachelor's degree from Kuwait University completed in 1988.



### Eng. Moaeed Huwajj Alsloom

Vice Chairman - Non-Executive  
Representative of Saudi Telecom  
Company stc

Eng. Moaeed Huwajj Alsloom is currently the Vice Chairman of the Board of Directors at the Kuwait Telecommunications Company (stc), representing stc group.

Eng. Moaeed Huwajj Alsloom is the Group Chief New Market Officer from May 2022; he was also the CEO of MATARAT Holding Company from 2019 to 2021, the Vice President of Investment Operations in stc Group from 2015 to 2019, the General Manager of Operations and Performance at stc Group from 2010 to 2015, and Senior Advisor to the Board of Directors from 2005 to 2008. In addition, Eng. Moaeed is a member of the Board of Directors of stc Bahrain since 2015, whereby he has been appointed as a Chairman from 18 June 2023 up until now, and Vice Chairman of the Board of Directors of stc Bank from November 2022 up to date; also, Board of Directors of Matarat holding from 2018 until now. He was a member of the Board of Directors of OGER Telecom from 2018 to 2019, and Kuwait Telecommunications Company (stc), and he was Commercial Head of the same company from 2008 to 2010.

Eng. Moaeed is an executive with more than 25 years of progressive experience in the field of institutional and digital transformation, governance, and company establishment. He has worked in several industries, including the telecom sector and aviation sector, through which he chaired committees and participated in the membership of a number of boards of directors. Throughout his career in stc Group, Eng. Moaeed has shown consistent success in maximizing corporate performance, driving growth, ensuring adherence to good governance practices, and enhancing value especially for the portfolio of companies and VC Funds in both local and international.

Eng. Moaeed holds a Master of Business Administration degree from Prince Sultan University and a Bachelor of Science degree in Systems Engineering from King Fahd University of Petroleum and Minerals.

### Mr. Abdulaziz Abdullah Al Ghamdi

Board Member - Non-Executive  
Representative of Saudi Telecom  
Company stc

Mr. Abdulaziz Abdullah Al-Ghamdi is a Board Member in Kuwait Telecommunications Company (stc) representing stc group.

Currently, Mr. Abdulaziz has been appointed as Vice President of Portfolio Management in the New Market Unit at stc Group; also, he was the General Manager of Investment Operations in stc Group until June 2022. He is an executive with more than 18 years of progressive experience in the telecom industry. Throughout his career in stc Group, one of the largest telecom companies in Middle East, Mr. Abdulaziz has shown consistent success in maximizing corporate performance, driving growth, ensuring adherence to the best governance practices, and enhancing value especially for the portfolio of companies and VC Funds in both local and international markets where stc group is a significant player.



Mr. Abdulaziz has rich experience in Strategic Business interventions and transformation programs in addition to building high-impact PMO teams for start-ups and green field projects. He is a Board Member in a number of companies including stc Bahrain and Maxis Berhad - the largest Telecom Company in Malaysia.

Mr. Abdulaziz holds a Master's degree in Human Resources Management from University of Westminster in London, UK. In addition, he has a Bachelor's degree in Computer Information Systems from King Saud University in Riyadh, KSA. Further, he has attended a number of courses with global executive education institutes such as Harvard, INSEAD and London Business School.



### Eng. Bader Saleh Al-Anazi

Board Member - Non-Executive  
Representative of stc Gulf Holding

Eng. Bader Al-Anazi is currently the Vice President of Financial Operations and Excellence in stc group Finance Unit. Prior to that, he held several leadership and managerial positions including General Manager of Financial Planning and Budgeting and General Manager of Commercial Finance in stc group Finance Unit.

Eng. Bader has more than 20 years of experience in the telecom industry across Technology, Commercial, Finance, and Strategy domains. In addition to being a Board Member at Kuwait Telecommunications Company stc since

2024, Al-Anazi was also a Board Member at stc specialized from 2020 to 2024 where he was a member of the audit committee, as well as being a Board Member in stc GCC Cable Systems from 2022 to 2025.

Al-Anazi was enrolled in stc's High Potential Executive Program where he completed several Leadership Programs from leading business schools. Eng. Bader holds an MBA degree from Yarmouk University, and a Bachelor's degree in Electrical Engineering from King Fahad University of Petroleum & Minerals.

### Mr. Turki Abdulaziz Al Naim

Board Member - Non-Executive  
Representative of stc Gulf Holding 1

Mr. Turki Abdulaziz Al Naim has been a Board Member at Kuwait Telecommunications Company (stc), representing stc Gulf Holding 1 since April 2024. Currently serving as the Vice President of Commercial Growth Services at stc KSA, Mr. Al Naim brings a wealth of strategic insight leadership, and an unwavering commitment to driving growth and long-term value creation.

In his current roles, Mr. Al Naim is instrumental in spearheading the development and execution of stc's Commercial Growth Strategy, which aims to diversify the company's product portfolio and expand revenue streams beyond core services. In the past, Mr. Al Naim has spearheaded initiatives aimed at digital transformation, including the establishment of a digital governance framework across stc consumer business and subsidiaries, and the introduction of self-service and digital channels.



Mr. Turki A. Al Naim is an alumnus of Missouri State University, where he earned his Master of Business Administration in 2008, following a Bachelor of Science in Accounting from King Faisal University in 2005. He has since complemented his academic foundation with executive education at leading global institutions, including London Business School, Stanford University, INSEAD, and The Wharton School. Through programs such as High Performance People Skills, Customer-Focused Innovation, Leading Digital Transformation and Innovation, and Strategic Marketing for Competitive Advantage, Mr. Al Naim has deepened his leadership acumen and broadened his perspective on innovation, strategy, and organizational growth.



### Eng. Ziad Ben Hamad AlHasson

Board Member - Non-Executive  
Representative of stc Gulf Holding 3

Eng. Ziad Hamad A. AlHasson is a Board Member in Kuwait Telecommunications Company (stc) representing stc Gulf Holding 3 since April 2024.

Eng. Ziad Hamad A. AlHasson is currently, a Vice President of Sales Carrier and Wholesale at Saudi Telecom (stc) since June 2022, after being appointed General Manager of Carrier and Operator Sales for the local market in 2021.

Eng. Ziad Hamad A. AlHasson has 19 Years of experience in Telecom Wholesale business. He has accumulated extensive experience and expertise in the telecommunications industry, his career journey began as Project Manager at Advanced Electronics Company's in Air force Avionics Business Unit in Riyadh, transitioning to Mobily in mid-2005, as International Roaming Manager in 2005, and after career advancements later in 2009, AlHasson was appointed as GM of International Traffic Management and Services. He contributed significantly to expanding Mobily's international services footprint.

AlHasson was active in international telecommunication standardization organizations, and he was elected by 45 Arab Operators to be Chairman of the GSMA Arab region 2011-2013.

In 2013, AlHassoun was elected president of the GSMA (Global System for Mobile Communications Association) for Arab States.

In 2016, Eng. Ziad Hamad A. AlHasson joined stc KSA and he consequently managed multiple general departments in Wholesale Business Units (Mobility Wholesale, National Wholesale) to restructure the business and build sales growth strategy. In 2022 Eng. AlHasson has been appointed as Vice President Sales - Carrier Wholesale Business.

Eng. Ziad Hamad A. AlHasson obtained a Master of Business Administration (MBA) - Project Management in 2003, from Colorado Technical University, in USA. He earned his Bachelor's degree in Industrial Engineering from King Saud University in Saudi Arabia in 2000.

### Sheikh Mohammed Salman Hamoud Al-Sabah

Board Member - Non-Executive  
Representative of Kuwait Investment  
Authority



Sheikh Mohammed Salman Hamoud Al-Sabah is a Board Member at Kuwait Telecommunications Company stc, representing Kuwait Investment Authority, since September 2024.

He is currently the Director of the Follow-up Unit – Asset Management at Kuwait Investment Authority. Sheikh Mohammed Al-Sabah was also Chairman of the Board of Directors at The Touristic Enterprises Company from 2023 to 2025, the Vice Chairman of the Board of Directors at Al-Ajial Holding Company (Morocco) since 2021, and a member of the Investment Committee at Al-Ajial Holding Company (Morocco) since 2018. Additionally, he has been a member of the Board of Directors of the Credit Bank since 2025.

Sheikh Mohamed Al-Sabah began his career at Kuwait Investment Authority as an Investment Analyst in 2012 before holding managerial positions in the Asset and Liability Management starting 2021.

Currently, and since 2017, he holds the position of Board Member and Chairman of the Board of Directors of Kuwait Care for Hospital Management, known as "Enaya", which is wholly owned by the Kuwait Investment Authority.

Over the past years, Sheikh Mohamed Salman Hamoud Al-Sabah has been also a member in the Founding Committee of the Health Assurance Hospitals Company (Dhahan) in 2012, the Founding Committee of Al-Durra Company in 2015, the Founding Committee of Jaber Al-Ahmad Hospital from 2017 to 2019, and the Board of Directors at Al-Ajial Holding Company (Morocco) from 2018 to 2021.

Sheikh Mohammed Al-Sabah holds a Bachelor's degree in Administrative Sciences with Business Administration specialization from the American University of Kuwait (2011), and has completed several training courses in the United States, Singapore, and Kuwait.



### Mr. Hamad Abdulrahman Al Sanea

Board Member - Non-Executive  
Representative of Public Institution  
for Social Security Fund

Mr. Hamad Abdulrahman Al Sanea has been appointed as a Board Member in Kuwait Telecommunications Company (stc) since July 2025, representing the Public Institution for Social Security, where he is currently the Head of Public Equities. He is also a Board Member at Kuwait Medical City. Mr. Hamad was Board Member at Wafra International Investment Company from 2021 till 2024, where he was the Chair of the Nominations and Remunerations Committee and a member at the Investment Committee and the Risk Committee.

Mr. Hamad Abdulrahman Al Sanea is an executive with more than 15 years of progressive experience in the Investment Field, managing portfolios in addition to leading strategic

milestones and making investment decisions. Mr. Hamad started his career in the asset allocation field and portfolio management at Kuwait Investment Authority in the period between 2008 to 2016 before joining NBK Capital, currently "NBK Wealth" where he contributed to constructing, managing, and monitoring various portfolios and funds from 2016 to 2019. He was also the Vice President for Managing Portfolios at KAMCO from 2019 to 2021.

Mr. Hamad was awarded the CFA charter in 2019 and holds a Master's degree in Finance from London Business School in 2017. In addition, he has a Bachelor's degree in Accounting and Information Systems, from Virginia Polytechnic Institute and State University (Virginia Tech), USA, with a primary focus on Accounting in 2007.

### Dr. Mithqal Sartawi

Board Member - Non-Executive  
Independent member



Dr. Mithqal Sartawi is a member of the Board of Directors at Kuwait Telecommunication Company (stc), a position he has held since the end of March 2024.

With extensive experience in management, consulting, project management and development, Dr. Sartawi has assumed various roles in both the public and private sectors in Kuwait.

Previously, he served as the Chief Executive Officer of Privatizing Holding Co. and worked for seven years as the Chief Consultant at the Kuwait Investment Authority (KIA). Additionally, he has held positions as a Board Member and Chairman of Tri International Consulting Group (TICG), a joint venture between Oliver Wayman and the Kuwait Investment Authority. Currently, and since 2017, he serves as a Board Member and now Chairman

of Kuwait Care for Hospital Management, known as "Enaya," which is wholly owned by the Kuwait Investment Authority.

Dr. Sartawi began his career in 1978 at the Kuwait Institute for Scientific Research (KISR) after completing his Ph.D. He spent six years focusing on conventional and renewable energy while also lecturing at Kuwait University's Electrical Engineering Department. During his tenure at KISR, Dr. Sartawi published several papers in referred journals and authored numerous technical reports in the areas of power generation and solar systems.

Dr. Sartawi holds a Ph.D. in Electrical Engineering from McGill University in Montreal, Canada, obtained in 1978. He also holds a Master of Engineering (M. Engineering) from Sheffield University in the UK, earned in 1974, and a B.Sc. in Electrical Engineering from Iraq, received in 1972.

### The Board of Directors held (6) meetings in 2025, details as follows:

Name	(1) 05/02/2025	(2) 23/04/2025	(3) 22/07/2025	(4) 26/10/2025	(5) 23/11/2025	(6) 24/12/2025	Attendance	Absence %
<b>Dr. Mahmoud Ahmad Abdulrahman (Chairman- Non-Executive - Independent)</b>	✓	✓	✓	✓	✓	✓	100%	—
<b>Eng. Moeed Ben Huweij Al Saloom (Vice Chairman - Non-Executive)</b>	✓	✓	✓	✓	✓	✓	100%	—
<b>Mr. Abdulaziz Abdullah Al Ghamdi (Board Member - Non-Executive)</b>	✓	✓	✓	✓	✓	✓	100%	—
<b>Mr. Bader Ben Saleh Al Anazi (Board Member - Non-Executive)</b>	✓	✓	✓	✓	✓	✓	100%	—
<b>Mr. Turki Ben Abdulaziz Al Naim (Board Member - Non-Executive)</b>	✓	✓	✓	✓	✓	✓	100%	—
<b>Mr. Ziad Ben Hamad Al Hasson (Board Member - Non-Executive)</b>	✓	✓	✓	✓	✓	✓	100%	—
<b>Sheikh Mohammad Salman Al Sabah (Board Member - Non-Executive)</b>	✓	✓	✓	✓	—	✓	83.33%	16.67%
<b>Mr. Hamad Abdulrahman Al Sanea<sup>1</sup> (Board Member - Non-Executive)</b>	— <sup>1</sup>	— <sup>1</sup>	✓	✓	✓	✓	100%	—
<b>Dr. Mithqal Mohammad Al Sartawi (Board Member - Non-Executive - Independent)</b>	✓	✓	✓	✓	✓	✓	100%	—

<sup>1</sup> Mr. Hamad Abdulrahman Al-Sanea nominated as a representative of the Public Institution for Social Security for its designated seat, effective 1 July 2025.

## Mr. Ahmed Meshari Al-Faris Board Secretary

Mr. Ahmed Meshari Al-Faris holds the position of the Board of Directors Secretary. He was appointed during the Board of Directors' meeting dated 24 December 2018.

Al-Faris obtained a Master's degree in Business Administration (MBA) from Maastricht School of Management in Netherlands in 2009 and a Bachelor's Degree in Accounting from Kuwait University in 2000. He has extensive banking experience through his work at the Central Bank of Kuwait and in the Islamic banking field at Kuwait Finance House from 2002 until 2014, then he joined Kuwait Telecom Company (stc) from 2014 until 2017 to work as Director of the Regulatory Compliance Department, after which he held the position Deputy

Undersecretary of the Ministry of Commerce and Industry for Corporate Affairs and Commercial Licenses from 2017 until 2018.

Mr. Ahmed Al-Faris was also appointed as Board of Directors Member of the Public Authority for Industry for the year 2017 - 2018 and the Central Bank of Kuwait in 2018, in addition to his membership in advisory boards, such as the Permanent Committee for Improving the Business Environment and Enhancing Competitiveness, the Higher Committee for the Study of Demographic Imbalances in the State of Kuwait, and the Advisory Council College of Administrative Sciences at Kuwait University. In 2020, he was also elected as a member of the Board of Directors of Kuwait Finance House.

### A summary of how to apply the requirements of registration and coordination and keeping the minutes of meetings of the Board of Directors of the company

The Board of Directors Secretary assists the members of the Board on an ongoing basis to ensure that they obtain any required information in accordance with the Board of Directors Resolutions or in consultation with the Chairman of the Board of Directors, in addition to assisting the Chairman of the Board of Directors in all matters related to preparing

the agenda of the Board's meetings and issuing invitations to the Board Members. The Board Secretary records all the decisions and discussions of the members of the board of directors, records the results of the voting operations that take place in the meetings of the board of directors, and works to preserve the documents of the board of directors.

### The Independent Member's Acknowledgement that meets the independence criteria

The independent member acknowledged that his independency is still valid as stated in Article (2-3) of Chapter Three of Book Fifteen (Corporate Governance) of the Executive Regulations of Law No. (7) of 2010 regarding the establishment

of the Capital Markets Authority and the regulation of securities activity and their amendments, as well as the independent member has the qualifications, experience and technical skills that are appropriate with stc's activity.

# Rule (2): Establish Appropriate Roles and Responsibilities

**Brief on how the company defines the policy of tasks, responsibilities, and duties of each of the Board of Directors Members and the Executive Management Members, as well as the powers and authorities delegated to the Executive Management.**

## Duties and Responsibilities of the Board of Directors

stc has a Board of Directors' Charter, that is fully compatible with the requirements of the Corporate Governance rules which includes defining the tasks and responsibilities of the Board of Directors, including but not limited to:

- Adopting strategic goals, plans, and policies.
- Approving the annual budget estimates, as well as the interim and annual financial statements.
- Overseeing major capital expenditure of the company, assets' owning and disposal.
- Ensuring the Company's commitment to policies and procedures, which ensure stc's respect for applicable internal systems and regulations.
- Ensuring the accuracy and integrity of the data and information that must be disclosed, in accordance with the applicable policies and procedures of disclosure and transparency process.
- Develop a plan/policy to include sustainability factors in the company's overall strategy, main business plans, and risk measurement and management process, if necessary.

stc also has job descriptions for the Board Members, which include a clear definition of the tasks and responsibilities of each Board Member, as well as the authority matrix, which clarifies the authorities of the Board of Directors, Executive Management, and Committees.

## Board of Directors' Achievements

Based on the Board of Directors' responsibilities to achieve the best financial and operational results and to fully implement the strategic plan, the Board has accomplished numerous achievements during its current term for the financial year ended 31 December 2025. These achievements reflect the outcome of a journey of successes and milestones attained by stc throughout the year, supported by tangible positive indicators across various financial, marketing, and technological fields.

In its seventeenth year of operation, stc successfully navigated intense competition with strong capability, earning customer satisfaction through the introduction of promotional offers, competitive pricing, and new services, in addition to enhancing customer loyalty. This, in turn, had a positive impact on operating revenues and profitability, contributing to strengthening stc's role in developing the telecommunications sector in the State of Kuwait, serving the Kuwaiti community, supporting the national economy, and generating attractive returns for its shareholders.

Furthermore, the Board of Directors continued to apply best international practices and comply with the requirements of local regulatory authorities in the governance framework, through the effective collaboration of the Board's committees with executive management.

## A summary of how to apply the requirements that allow the Board of Directors Members to obtain accurate and timely information and data

The Board of Directors has adopted the guide procedure that ensures that the Board Members obtain information accurately and in a timely manner and in accordance with relevant laws and legislation. The guide specifies the mechanism for requesting information and presenting it to the Board of Directors. In addition, the procedures and obligations of the members to maintain the confidentiality of the information that has been passed on to them by virtue of their work.

## The Board of Directors Committees

The Board of Directors has formed a number of independent committees, and the instructions and rules of governance issued by the Capital Markets Authority have been taken into account when forming these committees. The Board has formed 4 committees emanating from it, which are the Audit Committee, the Risk Management Committee, the Nominations and Remunerations Committee, and the Executive Committee.

Committee: Audit Committee	Formation Date: 1 April 2024	Committee Term: (3) years	Number of Members: (4)
	↓ Name	↓ Position	↓ Classification
<b>Committee Members:</b>	Eng. Bader Ben Saleh Al-Anazi	Chairman	Non-executive
	Mr. Hamad Abdulrahman Al Sanea <sup>1</sup>	Member	Non-executive
	Mr. Abdulaziz Ben Abdullah Al-Ghamdi	Member	Non-executive
	Dr. Methqal Mohammad Sartawi	Member	Independent

<sup>1</sup> Mr. Hamad Abdulrahman Al-Sanea nominated as a representative of the Public Institution for Social Security for its designated seat, effective 1 July 2025.

### The Committee performs several duties including:

- Review the interim financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation to the Board of Directors in order to ensure the fairness and transparency of financial data and reports.
- Examine accounting topics and understand their impact on financial statements.
- Evaluate the adequacy and effectiveness of the Internal Control Systems applied within the company and prepare a report that includes the Committee's opinion and recommendations in this regard.
- Appointing/ Re-appointing an independent external auditor to examine and evaluate the internal control systems and submit an annual report to the Committee stating its opinion and recommendations prior to presenting the same to the Board of Directors and sending it to the Capital Markets Authority.
- Evaluate the efficiency of the information security procedures and the internal control system applied in this regard.
- Technical supervision of the Internal Audit Department activities and reviewing the results of internal audit reports and regulatory authorities.
- Monitoring the External Auditor's work, and discussing any obstacles or difficulties encountered the external auditor that may include any scope activities limitations of the independent external auditor or difficulties in obtaining required information, or any significant disagreements with Management.
- Review the reports submitted by the Shariah Supervisory Board, ensure compliance with the provisions of Islamic Shariah, and submit its recommendations to the Board.
- Ensuring that the company is in compliance with laws, policies, regulations, instructions, and provisions of Islamic Shariah.
- Oversee internal audit plans and procedures to detect and address fraud and corruption and follow up on auditors' observations, taking necessary actions to safeguard the company's integrity and financial position.

In 2025, the Audit Committee held (5) meetings, detailed as follows:

Name	(1) 4/02/2025	(2) 22/04/2025	(3) 21/07/2025	(4) 26/10/2025	(5) 23/12/2025
<b>Eng. Bader Ben Saleh Al-Anazi</b>	✓	✓	✓	✓	✓
<b>Mr. Hamad Abdulrahman Al Sanea<sup>1</sup></b>	—	—	✓	✓	✓
<b>Mr. Abdulaziz Ben Abdullah Al-Ghamdi</b>	✓	✓	✓	✓	✓
<b>Dr. Methqal Mohammad Sartawi</b>	✓	✓	✓	✓	✓

<sup>1</sup> Mr. Hamad Abdulrahman Al-Sanea nominated as a representative of the Public Institution for Social Security for its designated seat, effective 1 July 2025.

### The Committee has accomplished many achievements, including:

- Reviewing the financial statements (quarterly and annually) before submitting them to the Board of Directors.
- Discussing the reports submitted by the Internal Audit Department related to results of the audit outcome on the Company's departments and activities and approve the Annual Internal Audit plan.
- Discussing the quarterly and annual reports of the Internal Shariah Audit and the reports of the Shariah Supervisory Board in the presence of the Shariah Audit Team and the Shariah Supervisory Board.
- Discussing the Compliance Reports.
- Approving the objectives of the Key Performance Indicators (KPIs) of the Internal Audit Department.

### Committee's Achievements:

Committee: Risk Management Committee	Date of formation: 1 April 2024	Committee Term: (3) years	Number of Members: (4)
<b>Committee Members:</b>	↓ Name	↓ Position	↓ Classification
	Mr. Abdulaziz Al Ghamdi	Chairman	Non-executive
	Eng. Bader Al Enezi	Member	Non-executive
	Dr. Mithqal Al Sartawi	Member	Independent
	Sheikh Mohammed Ben Salman Al Sabah	Member	Non-executive

- The Committee performs several duties including:**
- Preparing and reviewing the Risk Management strategies and policies, as well as the tendency of the risks before being approved by the Board of Directors. Ensuring the implementation of these strategies and policies, and that they commensurate with the nature and size of the Company's activities.
  - Ensuring the availability of adequate resources and systems to manage the risks.
  - Ensuring that Risk Management personnel have a full understanding of the risks surrounding the Company and increasing employees' awareness of the risk culture.

In 2025, the Risk Management Committee held (5) meetings, detailed as follows:

Name	(1) 04/02/2025	(2) 22/04/2025	(3) 08/06/2025	(4) 21/07/2025	(5) 26/10/2025
Mr. Abdulaziz Al Ghamdi	✓	✓	✓	✓	✓
Eng. Bader Al Enezi	✓	✓	✓	✓	✓
Dr. Mithqal Al Sartawi	✓	✓	✓	✓	✓
Sheikh Mohammed Ben Salman Al Sabah	✓	✓	—	✓	✓

- Committee's Achievements:**
- The Committee has accomplished many achievements, including:**
- Maintaining the ISO 31000 Certification for Risk Management.
  - Review of Legal Cases Status and action plans.
  - Review of the Company-wide Business Continuity Crisis Plan.
  - Enhancing the (Top Risk) reporting dashboard to reflect the status of risks for all stc Kuwait subsidiaries and alignment with stc Group.
  - Discussing the Quarterly reports submitted by Risk Management Department.
  - Discussed and Reviewed Cyber Security related risks on a quarterly basis.
  - Approval of objective, plan and KPIs for Risk Management Department for 2026.

Committee: The Nomination and Remuneration Committee	Formation Date: 1 April 2024	Committee Term: (3) years	No. of Members: (4)
<b>Committee Members:</b>	↓ Name	↓ Position	↓ Classification
	Dr. Mahmoud Ahmad Abdulrahman	Chairman	Independent
	Eng. Moeed Ben Howejj Al-Salloum	Member	Non-executive
	Mr. Turki Abdulaziz Al Naim	Member	Non-executive
	Eng. Ziad Ben Hamad AlHasson	Member	Non-executive

- The committee performs several tasks including:**
- Recommending the acceptance of the nomination and re-nomination of the Board Members and Executive Management.
  - Developing a clear policy for Board Members' and Executive Management's remunerations.
  - Determine the appropriate skills required for Board of Directors membership in the Board of Directors and review these requirements on an annual basis.
  - Determine the mechanism for evaluating the performance of the Board as a whole and the performance of each member of the Board and the Executive Management.

In 2025, the Nomination and Remuneration Committee held (3) meetings, detailed as follows:

Name	(1) 30/1/2025	(2) 17/4/2025	(3) 24/12/2025
Dr. Mahmoud Ahmad Abdulrahman	✓	✓	✓
Eng. Moeed Ben Howejj Al-Salloum	✓	✓	✓
Mr. Turki Ben Abdulaziz Al Naim	✓	✓	✓
Eng. Ziad Ben Hamad AlHasson	✓	✓	✓

- Committee's Achievements:**
- During the year 2025, the committee achieved several achievements, including:**
- Development of Human Resources programs in the company.
  - Reviewing the authority matrix in addition to the policies and procedures.
  - Recommending the Board of Directors hold a workshop on the opportunities and challenges of digital financial services in the telecommunications sector.
  - Launching the Board of Directors Performance and Effectiveness Assessment Program for the year 2025.

Committee: Executive Committee			
	Formation Date: 1 April 2024	Committee Term: (3) years	No. of Members: (4)
	↓ Name	↓ Position	↓ Classification
<b>Committee Members:</b>	Eng. Moeed Ben Huwajj Al-Salloum	Chairman	Non-executive
	Dr. Mahmoud Ahmad Abdulrahman	Member	Independent
	Mr. Turki Ben Abdulaziz Al Naim	Member	Non-executive
	Mr. Ziad Ben Hamad AlHasson	Member	Non-executive
<b>The committee performs several tasks including:</b>	<ul style="list-style-type: none"> <li>Discussing the Strategy Action Plan and estimated budget before presenting it to the Board of Directors.</li> <li>Following up on the implementation of the strategic plan and performance indicators periodically.</li> <li>Reviewing Company's performance in general, the performance of all Company's sectors in detail, and discussing deviations from the work plan and the estimated budget.</li> </ul>		

In 2025, the Executive Committee held (5) meetings, detailed as follows:

Name	(1) 05/02/2025	(2) 23/04/2025	(3) 22/07/2025	(4) 26/10/2025	(5) 24/12/2025
Eng. Moeed Ben Huwajj Al-Salloum	✓	✓	✓	✓	✓
Dr. Mahmoud Ahmad Abdulrahman	✓	✓	✓	✓	✓
Mr. Turki Ben Abdulaziz Al Naim	✓	✓	✓	✓	✓
Mr. Ziad Ben Hamad AlHasson	✓	✓	✓	✓	✓

<b>Committee's Achievements:</b>	<p><b>The committee achieved several achievements, including:</b></p> <ul style="list-style-type: none"> <li>Reviewing the strategy and work plan for the next three years.</li> <li>Studying the estimated budget.</li> <li>Follow up on the operational performance of the company periodically.</li> <li>Studying the investment opportunities.</li> </ul>
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# Executive Management



**Eng. Muataz Abdullah Aldharrab**

Chief Executive Officer

stc has job descriptions that clearly define the tasks and responsibilities of each position, and an approved Authority Matrix is available to delegate powers to all sectors within stc. Executive Management Tasks include, for example (but are not limited to):

- Working to implement all internal policies, regulations, and systems approved by the Board of Directors.
- Executing the strategy and annual plan approved by the Board of Directors.
- Preparing periodic reports (financial and non-financial) regarding the progress achieved in the Company's activity in light of the strategic plans and objectives, and presenting those reports to the Board of Directors.
- Managing the daily work and activity management.
- Active participation in building and developing a culture of ethical values.
- Developing internal control and Risk Management systems, ensuring the effectiveness and adequacy of these systems, and adhering with the risk appetite approved by the Board of Directors.

**stc has a qualified Executive Management Team, who are as follows:**

Eng. Muataz Abdullah Aldharrab	<b>Chief Executive Officer</b>
Mr. Khalid Fahad Almayouf	<b>Chief Financial Officer</b>
Mr. Khalid Fahad Al Sudairy	<b>Chief Strategy Officer</b>
Mr. Issam Issa Al Asousi	<b>Chief Corporate Affairs Officer</b>
Eng. Amer Issam Atoui	<b>Chief Consumer Officer</b>
Eng. Dhari Dawood Al-Quraishi	<b>Chief Technology Officer</b>
Mr. Raed Nabeel Maree	<b>Chief Human Resources Officer</b>
Mr. Mohammad Fadhel Al-Sabea	<b>Chief Audit Executive</b>
Mrs. Anowd Hammad Muthaib	<b>Chief Transformation and Synergies Officer</b>

Mr. Muataz Abdullah Aldharrab was appointed as the Chief Executive Officer of Kuwait Telecommunications Company (stc) effective in March 2024, with over two decades of experience in the telecommunication, information, and technology industries, including a previous role as a Board Member at CCC. Mr. Muataz currently serves as the Chairman for solutions by stc Kuwait and e-portal holding Board of Directors. Mr. Muataz Aldharrab also held several senior executive positions at local and multinational companies where he acquired a well-versed and diversified leadership, managerial, and technical expertise and capabilities in several areas.

Prior to joining Kuwait Telecommunications Company (stc), Mr. Muataz Aldharrab had served as the Chief Strategy Officer at solutions by stc KSA since 2020, where he played a major role in building a distinct strategy that contributed to the company's transformative growth in the ever-evolving digital world. Mr. Muataz Aldharrab also played a pivotal role in leading the IPO team in 2021, successfully taking solutions by stc KSA public in the Main Market of the Saudi Exchange. He also contributed

to positioning solutions by stc KSA as the digital enabler and leading ICT solutions provider for Saudi Arabia while expanding the Company's strategic mergers and acquisitions. Mr. Muataz joined solutions by stc KSA in 2015 where he climbed the ladder from being the Director of Govt. and Enterprise Solutions Engineering to the position of General Manager of Corporate Governance and Customer Success in 2019.

Mr. Muataz Aldharrab started his career path as an Associate Consulting Engineer at CISCO Systems before joining Saudi Business Machines LTD (SBM) where he led several telecommunication infrastructure and international peering projects with global telecom providers. Rejoining CISCO Systems, Mr. Muataz's efforts was recognized where he received the Sales Achiever Award.

Mr. Muataz holds a Bachelor's degree in Systems Engineering from King Fahad University of Petroleum and Minerals. He earned an MBA from Prince Sultan University, a Master's in Change from INSEAD France, and completed the Senior Executive Leadership Program from Harvard.



**Mr. Khalid Fahad Almayouf**

Chief Financial Officer

Mr. Khalid Fahad Almayouf was appointed as the Chief Financial Officer of Kuwait Telecommunications Company (stc) in August 2023. He is also the Head of the Audit and Risk Committee of solutions by stc and e-Portal Holding Company - stc's subsidiaries.

Almayouf held various executive positions throughout his career and gained in depth financial and accounting expertise in several industries including financial services, shipping, logistics, as well as health and information technology. Almayouf worked in government and international companies where he was a part of the assessment of organic growth and the acquisition expansion opportunities.

Prior to joining Kuwait Telecommunications Company (stc), Almayouf served as the Chief Financial Officer (CFO) at Sehati for Information Technology, in KSA, since 2021, where he significantly contributed towards Saudi Vision 2030 of digitalization of healthcare services. He successfully established the finance sector to support the transformation of the healthcare landscape in the Kingdom of Saudi Arabia and aligned all the financial related transactions between the healthcare providers and the insurance companies in the Saudi market.

He has contributed to providing a strategic vision for the company and achieving remarkable growth and success in the National Platform for Health and Insurance Exchange Services (NPHIES). He also served as a member in multiples executive committees to ensure the establishment of the new platform, in addition to aiding the company in reaching its operational and financial efficiency.

Mr. Khalid Fahad Almayouf started his career in the accounting field in Saudi Central Bank before joining Bahri - The National Shipping Company of Saudi Arabia - as Budgeting & Financial Reporting in November 2017, where he rose through the ranks to take on the position of the Head of Budgeting & Management Reporting department in March 2020 prior to serving as the Acting Chief Financial Officer (CFO) at Bahri America. Throughout his time in Bahri Group, he played a pivotal role in restructuring the finance department, implementing new processes, centralizing the group financial reporting, and ensuring alignment between the parent company and its subsidiaries.

Almayouf received his Bachelor's degree in Finance with a Minor in Marketing in 2015 from Boise State University (USA) and attained a Master of Business Administration (MBA Finance) from King Saud University (KSA) in 2022.



**Mr. Khalid Fahad AlSudairy**

Chief Strategy Officer

Mr. Khalid AlSudairy was appointed as Chief Strategy Officer of Kuwait Telecommunications Company (stc) in June 2024. AlSudairy is a visionary and results-oriented strategy executive with leadership experience and proven track record of developing as well as implementing robust business strategies that drive revenue growth, operational efficiency, and market expansion.

He is a proactive and innovative leader who excels at leading high-performing teams and fostering a culture of continuous improvement, with a strong background in Consulting, Telecommunications, and Banking industries for B2B and B2C segments.

Before joining stc, AlSudairy was the General Manager of the Corporate Strategy Department at solutions by stc for more than 8 years. He also has experience working in international organizations such as Accenture Middle East.

AlSudairy has a Master's degree in Politics and International Relations from Royal Holloway University - UK, a Bachelor's degree in Management and Organization from Lancaster University - UK, and multiple professional certifications from institutions such as Stanford University, London Business School, and the Wharton School.



**Mr. Issam Issa Al Asousi**

Chief Corporate Affairs Officer

Mr. Issam Al Asousi was appointed as the Chief Corporate Affairs Officer of stc in October 2011. He is also a member of the Audit and Risk Committee of solutions by stc and e-Portal Holding Company - stc's subsidiaries.

Mr. Issam Al Asousi first started his career in the banking, where he took up his first position in 1980 at the Bank of Kuwait and Middle East as Head of the Banking Services Group, which included several departments the most important of which were: VIP Private Banking Department, Marketing Department, Branch Management, Product Development, and Credit Cards Management. This included the provision of services to both customers and those with high purchasing power throughout Kuwait.

In 2003, Mr. Issam joined Al Dar Investment Company, where he played a key role in driving the institution's investment strategies, including the establishment of a Consumer Finance Company called "Wared". Furthermore, in 2008, Mr. Issam moved on to Al Dowalliah Investment Group as the Deputy Managing Director, where he was responsible for defining, implementing, and executing the organization's domestic and international strategies.

Mr. Issam graduated from Kuwait University in 1975 with a Degree in Commerce. After that, he received a one-year training program at Chase Manhattan Bank in Washington - United States of America, in 1981. He also received a Diploma in Banking from the Kuwait Institute of Banking Studies in 1982, in addition to several courses from accredited foreign institutes.

**Eng. Amer Issam Atoui**

Chief Consumer Officer

Eng. Amer Atoui was appointed Chief Consumer Officer of Kuwait Telecommunications Company (stc) in April 2021.

Eng. Amer Atoui is a seasoned executive in the telecommunications industry with a proven track record of driving performance improvements and implementing turnaround strategies for multinational telecom companies.

Before joining stc, Eng. Atoui served as the B2C Managing Director at LAMI Insurance Technologies from July 2020 to March 2021, where he played a key role in structuring the company's start-up vertical B2C, and defining its strategy.

Eng. Atoui's career began at LibanCell (a Lebanese mobile operator), where he held various technical and commercial roles from 1999 to 2004. He then joined Comium Group as International Business Development Manager until 2006. His most notable achievement



came as CEO of COMIUM Gambia (2006-2015), where he led the establishment of a greenfield mobile operation, implementing effective commercial strategies and cost-saving initiatives that resulted in strong financial performance.

From 2016 to 2019, Eng. Atoui served as the Managing Director of the Consumer Business Unit at Telkom Kenya (formerly Orange Kenya), where he spearheaded the company's rebranding, transformation, and performance turnaround. Additionally, he was an Advisor for the Orange Kenya Acquisition Project at Helios Investment Partners in early 2016.

Eng. Atoui holds an Executive MBA (dual degree) from ESCP (France) and Ecole Supérieure des Affaires (Lebanon), and a Bachelor's in Engineering (Computers and Communications) from the American University of Beirut, which he earned in 1999.



**Eng. Dhari Dawood  
Al-Quraishi**

Chief Technology Officer

Eng. Dhari Dawood Al-Quraishi was appointed as the Chief Technology Officer (CTO) of Kuwait Telecommunications Company (stc) in July 2025. With over 27 years of experience in the banking and telecom industries, Eng. Dhari is a seasoned leader with a proven track record in both business and technology. He is known for his transformative leadership and ability to achieve performance goals while fostering a culture of excellence.

Prior to joining stc, Eng. Dhari served as the CEO of International Turnkey Systems (ITS), a subsidiary of Kuwait Finance House (KFH), starting in 2023. In this role, he led operations across, GCC, Egypt, and Turkey, achieving significant improvements in projects delivery, financial position, customer satisfaction, and productivity.

Before his tenure at ITS, Eng. Dhari held key leadership positions at the National Bank of Kuwait (NBK) from 2016 to 2023. As Acting Group CIO and Head of IT, he successfully reduced customer complaints and increased IT delivery and efficiency. His experience also includes delivering comprehensive data-center and disaster-recovery solutions.

Eng. Dhari began his career at the Mobile Telecommunication Company "Zain" in 1998, where he spent over 17 years. He culminated his tenure as Director of Operation Support System & Quality until 2016, overseeing all the Telecom/IT operations.

Eng. Dhari holds a Bachelor's degree in Electrical Engineering from Kuwait University. He has further enhanced his leadership capabilities through executive programs at Harvard Business School and London Business School.

**Mr. Raed Nabeel  
Maree**

Chief Human Resources Officer



Mr. Raed Nabeel Maree was appointed as the Chief Human Resources Officer of Kuwait Telecommunications Company (stc) effective in June 2025, with over 29 years of professional experience, including more than 20 years in Human Resources leadership across diverse sectors such as telecom, healthcare, investment, and public services. He is widely recognized for his strategic thinking, strong business acumen, and ability to drive impactful transformation within organizations.

In his most recent role as Head of HR & Admin at KIBS, Raed led major HR initiatives including the implementation of the HR Business Partner model, a structured onboarding program, and a comprehensive HRIS system. He played a key role in the organization's five-year strategy development, led restructuring efforts, and introduced 360° assessments, competency frameworks, and performance management systems.

Raed is also the founder of Talent Formation, an HR consultancy through which he provided advisory services to leading Kuwaiti companies such as NTEC (National Technology Enterprise Company), MARKAZ, and Arkan Real Estate. He previously held senior leadership roles at Ooredoo Telecom and YIACO Medical, where he led ERP implementations, revamped compensation structures, and strengthened HR's strategic contribution.

He holds a Bachelor's degree in Business Administration and has completed executive HR programs at the University of Michigan and INSEAD. Raed also holds multiple certifications in Six Sigma, leadership development, and international HR policy. His key strengths lie in strategic HR leadership, organizational development, and driving operational excellence in fast-paced environments.

### Mr. Mohammad Fadhel Al-Sabea

Chief Audit Executive



Mr. Mohammad Al-Sabea was appointed as Chief Audit Executive of Kuwait Telecommunications Company (stc) in July 2022. He is also a member of the Audit and Risk Committee of solutions by stc and e-Portal Holding Company - stc's subsidiaries.

Prior to joining stc, Mr. Mohamed held the position of Head of Internal Audit at Health Assurance Hospitals Company (DHAMAN).

Mr. Mohamed Al-Sabea has more than 25 years of experience in internal auditing, where he has extensive experience in the field of governance and risk management in addition to holding several leadership positions in various industries. Mr. Al-Sabea started his professional career at the Central Bank of Kuwait and Kuwait Petroleum Corporation (KPC) in 1996 before moving to the investment sector to occupy

the position of Vice President of the Internal Audit at Aayan Leasing and Investment Company. He later joined Al-Imtiaz Investment Group as an Executive Manager of Risk Management. Mr. Al-Sabea also held the position of Head of Internal Audit at Kuwait Telecom Company (stc) between 2014 and 2019 before joining Boubyan Bank as Assistant General Manager for Internal Audit.

Mr. Mohammad Al-Sabea obtained his Bachelor's degree in Accounting and Auditing in 1996. He has also obtained several recognized professional certificates including the Certified Public Accountant USA (CPA), Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), Certified Fraud Examiner (CFE), Internal Controls Certificate (COSO), Certified Risk Manager (ISO 31000), and Certified Corporate Governance Officer (CCGO).

### Mrs. Anowd Hamad Muthaib

Chief Transformation and Synergies Officer



Mrs. Anowd Muthaib was appointed as Chief Transformation and Synergies Officer in (CTSO) at Kuwait Telecommunications Company (stc) in March 2024. She was Acting Chief Strategy Officer (CSO) from January to June 2024. A distinguished Strategy and Marketing professional, she has over two decades of in-depth experience in commercial, planning, strategy, marketing, and customer value management across Telecom and Banking.

Mrs. Anowd joined stc as a Managing Director for the Consumer Segment in 2010. In a mere three years, she propelled the company to the second-highest revenue position, fueled by her strategic acumen and the establishment of a groundbreaking B2C digital strategy. Appointed as the General Manager - Enterprise Strategy & Marketing at stc from 2019, Anowd has been at the forefront of B2B strategy, overseeing planning, budgeting and marketing initiatives. Spearheading the development and

establishment of the ICT portfolio, she played a pivotal role in stc's successful integration plans with Qualitynet (ISP) and E-portal (ICT Group of companies), as well as in launching solutions by stc, the brand representing stc Kuwait's B2B solutions.

Mrs. Anowd Muthaib's started her professional path as a Simulation and Acquisition Analyst and Product Development in the Consumer Marketing Department at Zain Kuwait (MTC) from 2001 to 2009, followed by the role of Premier Segment Marketing Manager at Burgan Bank from 2009 to 2010.

Her academic foundation includes a degree in Electrical & Electronic Engineering from Heriot-Watt University (Scotland), complemented by executive courses at Harvard and INSEAD in Decision-Making, Negotiation, Leadership Strategies and Strategic Marketing.

# Rule (3): Recruit Highly Qualified Candidates for the Board of Directors Members and the Executive Management

## Nominations and Remunerations

The Board of Directors formed the Nominations and Remunerations Committee in accordance with the corporate governance rules as set out in Article 4-1 of Book Fifteen Corporate Governance. The committee's composition includes an independent member, and the committee's charter is available, which includes its duties and responsibilities of the committee. The committee is responsible for (but not limited to) the following:

- Recommending acceptance of nomination and re-nomination of the members of the Board and Executive Management.
- Developing a clear policy for the remuneration of the Board of Directors and Executive Management.
- Determining the required skills for membership in the Board of Directors and review those needs on an annual basis.
- Reviewing the organizational structure and provide recommendations to the Board of Directors regarding any proposed amendments to the organization structure.
- Attracting applications of those willing to occupy Executive positions as needed, studying and reviewing those applications.
- Determining the different segments of remunerations that will be granted to employees, such as fixed bonuses segment, the performance related bonus segment, the bonus segment in the form of shares, and the end-of-service bonus segment.
- Preparing a job description for the Executive and Non-executive members as well as the Independent Members.
- Ensuring the independency criteria of independent members.
- Preparing a report of the total remunerations granted to Members of the Board of Directors, the executive body and the managers; whether cash or benefits or privileges, of whatever nature and title, directly or indirectly through the company or Subsidiaries.
- Determining the mechanisms for evaluating the performance of the Board as a whole and evaluating the performance of each member of the Board and Executive Management.
- Reviewing the salary scale and job grades periodically.
- Ensuring the rewards are granted in accordance with the approved Remuneration Policy.
- Reviewing Human Resource Policies and any amendments thereto and presenting them to the Board of Directors.

In adherence to the highest standards of transparency as stipulated in the leading practices and in the Corporate Governance Rules, stc has committed to preparing a detailed report on all the remuneration granted to the Board of Directors Members and the Executive Management. Noting that during 2025 there are no material deviations from the approved remuneration policy by Board of Directors.

## Remuneration Policy Overview

The Remuneration Policy of Kuwait Telecommunications Company (stc) aims to establish a structured and equitable framework for determining the remuneration of the Board of Directors and Executive Management, ensuring alignment with the Company's strategy, objectives, and acceptable risk levels.

The Policy is founded on principles of sound corporate governance, transparency, and performance linkage, connecting remuneration to both financial and non-financial performance indicators. It also ensures an appropriate balance between fixed and variable remuneration to promote sustainability and long-term performance incentives.

## Board of Directors' Remuneration

This includes the compensation granted to Board members in consideration of their membership and is divided into:

- Annual Board membership remuneration.
- Meeting attendance allowances, in addition to reimbursement of expenses and any special compensation for specific assignments.
- Committee membership remuneration.

Such remuneration is subject to approval by the General Assembly and must comply with applicable statutory limits.

## Executive Management Remuneration

This is divided into two main components:

Fixed Remuneration: Salaries, allowances, and benefits contractually determined based on responsibilities, expertise, and career path.

Variable Remuneration: Incentives and bonuses linked to performance and the achievement of financial and non-financial key performance indicators, while taking risk management and sustainability into account.

The Policy also defines the relevant roles and responsibilities, particularly those of the Board of Directors and the Nomination and Remuneration Committee in overseeing, reviewing, and approving the remuneration framework, in addition to the annual disclosure requirements and compliance with applicable regulatory obligations.

The following is a statement of all the benefits and rewards received by the Board of Directors Members and Executive Management for the year 2025.

The Board of Directors of Kuwait Telecommunication Company stc is consists of (9) members, including the Chairman of the Board of Directors:

## Remunerations and benefits of Members of Board of Directors

Total number of members	Remunerations and benefits through the parent company			Remunerations and benefits through the subsidiaries			
	Fixed remuneration and benefits (Kuwaiti Dinar)	Variable remuneration and benefits (Kuwaiti Dinar)		Fixed remuneration and benefits (Kuwaiti Dinar)	Variable remuneration and benefits (Kuwaiti Dinar)		
	Health insurance	Annual remuneration	Remuneration (Committees' / Benefits)	Health insurance	Monthly salaries total of the year	Annual remuneration	Remuneration (Committees' / Benefits)
9	-	308,500 <sup>1</sup>	134,000	-	-	-	-

<sup>1</sup> Subject to AGM Approval.

Details of the segments and types of remuneration and benefits mentioned are examples without limitation.

Total remunerations and benefits granted to five senior executives who have received the highest remunerations. This is in addition to the Chief Executive Officer and the financial manager or their deputy, if not included<sup>1</sup>

Total executive positions	Remunerations and Benefits through the parent company							Remunerations and Benefits through the subsidiaries						
	Fixed remuneration and benefits (Kuwaiti Dinar)							Fixed remuneration and benefits Kuwaiti Dinar						
	Monthly salaries total of the year	Health insurance	Annual tickets	Housing allowance	Transportations allowance	Children's education allowance	Annual remuneration	Monthly salaries (total of the year)	Health insurance	Annual tickets	Housing allowance	Transportation allowance	Children education allowance	Annual remuneration
5	518,057	10,283	43,135	114,048	53,236	19,673	812,677 <sup>1</sup>	119,870	2,362	-	-	8,601	18,000	118,670 <sup>1</sup>

<sup>1</sup> Final numbers to be adjusted subject to BoD approval.

Details of the segments and types of remuneration and benefits mentioned are examples without limitation.

## Rule (4): Safeguard the Integrity of Financial Reporting

### Financial Reports and the External Auditor

The Board of Directors and Executive Management provide a written pledge to confirm the validity and integrity of prepared financial reports. The Board of Directors also formed the Audit Committee in accordance with the Corporate Governance Rules, according to Article 5-6 of the Book Fifteen "Corporate Governance" of the Executive Regulations of the Capital Market of Authority.

Details of the formation and achievements of the committee were presented in the previous section.

During the year 2025, there were no cases of conflict between the Audit Committee's recommendations and the Board of Directors' resolutions.

### Financial Reporting and External Auditor

stc issues a set of financial reports on a periodic basis that includes:

- Interim financial statements.
- Annual Reports.
- Profits announcements.

### With regard to the External Auditor, the Audit Committee is responsible for

- Reviewing the scope of work, methodology, and work plan of the proposed external auditor, including coordination of external audit efforts with internal audit.
- Monitoring the external auditor's performance to ensure that they do not provide services other than those required by the external auditing profession.

- Recommending to the Board of Directors to appoint and re-appoint the external auditor, or proposing to change them proposing their fees, and reviewing thier appointment letter, provided thier registration in the special register with the Capital Markets Authority, so that they fulfills all the conditions stipulated in the requirements of the CMA's decision regarding the system of registering auditors, and verifying the independence of the external auditor periodically and before thier appointment or reappointment, and to verify that the external

auditor does not perform any additional tasks that do not fall within the tasks assigned to them, before assigning them, and which may affect their independence in accordance with what the auditing profession requires.

- Discussing any obstacles or difficulties encountered by the external auditor. These obstacles include scope limitations on the external auditor's activities or obtaining the required information and any fundamental disagreements that may result with the management.

## Rule (5): Apply sound systems of Risk Management and Internal Audit

### Risk Management

Risk Management is responsible for implementing the risk strategy and policy, which include sustainability risks represented by environmental, social, and governance issues, and prepares periodic reports on the nature of the risks to which stc is exposed, submitting them to the Risk Committee for approval before presenting them to the board of directors. Risk Management employees have the requisite experience to accomplish the function that has been allocated to them. The Risk Management Department has independence since it reports directly to the Risk Committee, which is appointed by the Board of Directors, in accordance with the established organizational structure and governance regulations.

### Formation of the Risk Management Committee

The Risk Management Committee is established by a resolution of the Board of Directors and shall consist of no fewer than three (3) members, including at least one (1) independent member in accordance with the definition set by the Capital Markets Authority. The purpose of the Risk Management Committee is to assist the Board of Directors of Kuwait Telecommunications Company (stc) in overseeing the Company's risk management activities, supporting the Board, and informing it of current risks that may face the Company as well as its future risk strategy.

The Board of Directors has the authority to appoint the Committee members from among individuals with relevant and recent practical experience in risk management and financial matters, and to determine their term of membership. Membership on the Committee shall cease upon the termination of the member's Board membership.

The Committee's responsibilities include reviewing and approving the Risk Management Framework Manual, assessing the adequacy and proper implementation of the Company's risk management policies and procedures, defining the Company's risk profile and risk appetite, and monitoring the performance of the Risk Management Department in compliance with applicable regulatory and supervisory requirements.

### Summary of the internal control systems

- Approved policies and procedures that cover all key activities and processes of the company.
- A comprehensive and detailed Organizational Structure approved by the Board of Directors and covers all the sectors and departments within the company.
- Approved job descriptions covering all the company's employees.
- Approved regulations by the Board of Directors, which cover all board committees, according to the Corporate Governance rules.
- Approved policies by the Board of Directors that cover all the requirements under the Corporate Governance Rules.
- Approved financial and administrative authority matrices by the Board of Directors, to determine all the powers of various parties and covers all key processes.
- Integrated mechanism that covers all major operations.
- Monitoring and controlling the several independent parties, including internal parties (Internal Audit, Quality Control, and Compliance) and external parties (External Audit, and the ISO Audit Team, Shariah Audit).

## Internal Audit

stc has an effective Internal Audit Department with full technical and administrative independence, through its direct reporting to the Audit Committee emanating from Board of Directors. The Internal Audit Department performs several tasks, including:

- Conducting out Risk Assessment facing stc with the aim of preparing a risk-based audit plan and presenting the same to the Audit Committee for approval.
- Conducting out audit reviews covering all stc's operations and activities in accordance with the Audit Plan, approved by the Audit Committee, in order to evaluate the effectiveness and efficiency of internal controls.
- Conduct quarterly reviews to verify whether the Executive Management has taken the corrective actions agreed upon in the internal audit reports.
- Submitting reports on all the audit findings to the Audit Committee and discussing them with the presence of the Executive Management's representatives.
- Carry out any special tasks assigned by the Audit Committee.

## Rule (6): Promote Code of Conducts and Ethical Standards

### Summary of the Code of Ethics and Business Conduct Standards

stc, represented by its Board of Directors, Executive Management, and all employees, believes that integrity is one of the core pillars upon which its business is built, guiding all interactions with stakeholders. The Company also recognizes that adherence to professional conduct and ethical values is a fundamental element in achieving its objectives and ensuring the sustainability of its business.

Accordingly, the Company fosters an ethical culture based on respect for laws and regulations, accountability, and transparency in all daily practices.

In this regard, the Compliance Department, in cooperation with the relevant departments, works to strengthen and embed the principles of the Code of Ethics and Professional Conduct and to ensure its effective implementation in line with best practices in this field. The Code clearly defines stc's policy regarding common areas related to professional behavior and ethical values, including integrity, conflict of interest, confidentiality of information, compliance with laws and regulations, and fair dealing with customers and suppliers. It also includes guidelines and

practical applications that help all employees and stakeholders understand and apply these principles in the workplace.

The Code's slogan, "With our integrity, we go further," reflects stc's core values of dedication, dynamism, and courage, and represents the foundation of the Company's Ethics and Integrity Program. It also embodies stc's firm commitment to integrity and transparency in its dealings with customers, communities, the market, investors, and the internal work environment.

All leaders at stc are committed to promoting a culture and work environment grounded in integrity, by encouraging the reporting of any potential violations of the Code of Ethics and Professional Conduct through dedicated channels that ensure confidentiality and protect whistleblowers from any retaliatory actions.

The Company relies primarily on awareness bulletins, internal messages, and regular educational content to raise awareness among employees and stakeholders regarding the Code of Ethics and Professional Conduct and the importance of adhering to ethical values in all interactions, thereby ensuring the reinforcement of ethical culture across all levels of the Company.

### Summary of policies and mechanisms to reduce conflicts of interest

In line with its commitment to promoting professional conduct and ethical values, and pursuant to Rule Six of the Corporate Governance Rules, stc has adopted a Conflict of Interest Policy designed to ensure the implementation of appropriate procedures for identifying and effectively managing material conflict of interest cases in a manner that protects the interests of the Company, its shareholders, and all stakeholders.

This policy requires all Board members, executive management, and employees to disclose any direct or indirect personal interests that could lead to a conflict of interest with stc's interests. It also mandates that no individual may exploit their position or access to information for personal gain. Moreover, any member involved in a conflict of interest case must abstain from voting or participating in deliberations on the matter in question, and this must be documented in the meeting minutes.

stc identifies and manages conflict of interest cases in accordance with its approved policies and procedures and takes the appropriate measures in this regard.

The auditors' report includes a statement of balances and transactions with related parties, which are considered as such when one party has the ability, directly or indirectly, to control or exert significant influence over another party's financial and operational decisions.

Related parties primarily include major shareholders of stc, members of the Board of Directors, senior management, and companies over which they can exercise significant influence.

Furthermore, stc engages in certain transactions that arise in the ordinary course of business with the parent company, subsidiaries, and affiliates. These transactions are reflected in the financial statements and accompanying notes, and the outstanding balances due to these related parties are disclosed as of December 31, 2025, in accordance with applicable accounting standards and regulatory requirements.

The following are the significant transactions with the parent company, which are included in the statement of profit or loss and other comprehensive income:

	2024, Thousand Kuwaiti Dinars	2025, Thousand Kuwaiti Dinars
Management Fees	12,400	11,164
Revenue	12,925	9,903
Other Operational Expenses	25,487	32,776

## Rule (7): Disclosure and transparency accurately and in a timely manner

### Disclosure and transparency

#### A summary of the application of mechanisms for presentation and accurate and transparent disclosure that define aspects, areas, and characteristics of disclosure

Kuwait Telecommunications Company (stc) believes that adherence to the principle of transparency is one of the key pillars in strengthening the confidence of shareholders and stakeholders. Therefore, the Company is committed to maintaining the highest standards of accuracy and clarity when disclosing relevant information in a timely manner, and in full compliance with the laws, regulations, and directives issued by the competent regulatory authorities.

This approach stems from stc's ongoing efforts to build a work environment characterized by integrity and transparency, achieve sustainability, and establish a positive reputation that supports the Company's long-term continuity.

In this regard, stc is committed to the accurate and comprehensive disclosure of its financial statements, earnings reports, audit reports, and material information, in accordance with the requirements of the Capital Markets Authority (CMA) and other regulatory bodies. The Company also ensures the confidentiality of non-public

information and takes the necessary measures to protect it. Access to such documents and data is restricted and granted only within the limits permitted under applicable regulations.

To further strengthen communication with stakeholders, stc provides effective communication channels that enable timely access to comprehensive and accurate reports — demonstrating the Company's firm commitment to its Disclosure and Transparency Policy.

Moreover, stc maintains a comprehensive record with Bursa Kuwait and the Capital Markets Authority, which includes all disclosures issued by the Company during the past five years.

In 2025, the total number of disclosures issued by stc amounted to 63, clearly affirming the Company's strong commitment to promoting transparency. The Company also publishes all material disclosures on its official website in compliance with the CMA's requirements.

## Brief about the application of the requirements of the Board of Directors disclosure and executive management disclosures and the managers' disclosures

stc maintains a dedicated register containing the disclosures of Board members and executive management, which is available for review by all shareholders. The Company affirms that shareholders have the right to access this register free of charge, and ensures that it is regularly updated to accurately reflect the actual status of related parties.

## A brief statement on the application of the formation requirements of a unit of investors' affairs

stc has established the Investor Relations Department, which is responsible for the communication process with current and potential shareholders in addition to providing the necessary data, information and financial reports. The Investor Relations Department has an appropriate independent reporting line that allows the provision of data, information, and reports in a timely and accurate manner through the recognized means of disclosure including the company's website.

## Brief on how to develop the information technology's infrastructure on which it shall significantly rely on in the disclosure processes

stc follows a policy of adopting and expanding the use of information technology to communicate with shareholders, investors, and stakeholders. The Company relies heavily on information technology to enhance its communication channels with these groups, having a dedicated a Corporate Governance section on its official website. This section provides all updated information and data that assist shareholders, as well as current and potential investors, in exercising their rights and evaluating performance. In addition, the company's website and its mobile Investor Relations application include a dedicated Investor Relations page that offers comprehensive and up-to-date information.

In this context, the Capital Markets Authority launched the Electronic Disclosure System, which aims to unify all disclosure platforms and channels into one integrated system. Kuwait Telecommunications Company stc was among the first companies to make disclosures through the new electronic system, even before the mandatory implementation period began. This demonstrates stc's commitment to keeping pace with technological advancement and digital transformation across all areas of its operations, as well as its adherence to the laws and regulations issued by the relevant regulatory authorities.

# Rule (8): Respect the Right of Shareholders

## Protecting Shareholders' Equity

### Summary of the application of the requirements for identification and protection of general rights of shareholders, in order to ensure fairness and equality amongst all shareholders

Through the Investor Relations Department, stc is committed to fulfilling its commitment to shareholders by maintaining the highest standards of transparency and fairness. stc believes that the effective Corporate Governance enhances the value for its shareholders and offers appropriate guidelines for the Board of Directors, and its committees, and Executive Management to carry out their duties in a manner that benefits stc and its shareholders. Therefore, stc seeks to achieve the highest levels of transparency, accountability and effective management through adopting, and monitoring the execution of strategies, goals and policies to ensure compliance with its regulatory and ethical responsibilities.

It is worth noting that after the company's listing on Kuwait Stock Exchange, we developed and maintained the contact channels with investors and financial experts. stc is also committed to transparency and presenting financial information via various communication channels in accordance with best professional practices for disclosure and transparency. Furthermore, stc delighted to interact with domestic and international investors as well as financial experts in order to meet with them and answer their queries. stc also participated in investor conferences to enhance the communication with all levels of shareholders and the financial community.

Furthermore, the website and the Investor Relations mobile app. provide a range of information about the company's stock, financial data and performance reports, as well as adopting the Shareholders' Protection Rights Policy.

Finally, stc guarantees all shareholders the right to view all relevant information and disclosures through publishing them on the website and in the annual reports that are available to all shareholders, as well as to enabling them to obtain all information about the Board of Directors, their qualifications, the shares they own, their chairmanship or membership on the boards of other companies, as well as the information on Executives Management within the Company. It is also possible for all stakeholders to obtain all relevant information.

## Summary on the creation of a special records at the Clearing Agency, as part of the requirements for ongoing monitoring of shareholder data

Since its establishment, stc has maintained a special register with the Clearing Agency that contains the shareholders names, their information, and the amount of shares owned by each of them. The shareholders register is updated on a daily basis and any changes to the data recorded are modified according to the data received by stc or the Clearing Agency in this regard.

## Brief on how to encourage shareholders to participate and vote in the company's general assembly meetings

- stc initially, discloses the date of the General Assembly Meeting, once the Board of Directors decides on it.
- A public invitation is made to shareholders to attend and participate in the General Assembly Meeting, (regardless of their capacity), and includes the agenda. The invitation is delivered through the announcement in at least, two daily newspapers published in Arabic. The first announcement is published two weeks prior to the General Assembly Meeting while the second announcement is published one week prior to the General Assembly Meeting. The second announcement must be published in the official newspaper.
- stc announces the date of its General Assembly Meeting through the web page of Boursa Kuwait in addition to the Investor Relations web page on the official website.
- Recently, stc launched a mobile application for Investor Relations, providing access to company's news, financial reports, invitations, disclosures, as well as shares performance data.

## Rule (9): Recognizing the Role of Stakeholders

### Recognizing the role of stakeholders

#### Brief about conditions and policies that ensure protection and recognition of the rights of stakeholders

stc strives to respect and protects stakeholder's rights in all its internal and external dealings, as their contributions are a critical resource for increasing the company's competitiveness and profitability levels. In order that the stakeholders' transactions, whether contracts or deals with the company, do not conflict with the interests of the shareholders, the following factors have been considered:

- None of the stakeholders shall obtain any advantage through their dealings in contracts and transactions that are included in the company's normal activities.
- The establishment of internal policies and regulations that identify a clear mechanism for documenting contracts and deals of various types.

#### The company also adopted a set of policies, including, but not limited to:

- Stakeholder Protections Rights Policy.
- Contracting Policy.
- Conflict of Interest Policy.
- Code of Ethics and Business Conduct Policy.
- Whistleblowing Policy.
- Supplier Code of Conduct.
- Related Parties Transaction Policy.

#### Brief on how to encourage stakeholders to keep track on Company's various activities

stc is committed to dealing with the Board of Directors Members and stakeholders on the same conditions as it does with other stakeholders without any discrimination or preferential terms, in addition to reviewing proposed deals and transactions with the relevant parties and making appropriate recommendations in this regard to the Board of Directors.

stc is also committed to providing stakeholders with information and data related to their activities on a regular basis in accordance with the contracts concluded with them and in a manner that does not violate the confidentiality of applicable information confidentiality guidelines. All contracts concluded with stakeholders have contractual clauses that protect the confidentiality of the information entrusted to them in order to fulfill the tasks assigned to them.

On the other hand, stc is committed to ensuring the protection of stakeholders' rights in accordance with the laws of the State of Kuwait that govern the relationship between the company and its stakeholders, such as the Kuwaiti National Labor Law, the Companies Law and its Executive Regulations, the Commercial Law, and instructions issued by the Capital Markets of Authority and other regulatory authorities.

## Rule (10): Encourage and Enhance the Performance

### Performance Enhancement

#### A Summary on the application of the requirements for the development of mechanisms that allow Board of Directors Members and Executive Management to attend training programs and courses regularly

stc is committed to continuous training and qualification, which provides the Board of Directors Members and the Executive Management with the appropriate understanding and knowledge of all topics related to the company's activities, as well as familiarity with the most recent developments in the relevant administrative, financial and economic fields, in addition to the ability to strategically plan, based on stc's needs and then achieve its goals.

#### Brief on the evaluation performance methods of the Board as a whole and the performance of each member of each member of the Board of Directors and the Executive Management

stc has developed systems and mechanisms to periodically evaluate the performance of each Board of Directors Members and the Executive Management. Including a set of performance indicators linked to the extent of achieving the strategic goals are met, the quality of the Risk Management, and the efficiency of the internal control systems. The Board of Directors has also adopted performance indicators to measure the performance of both the Board of Directors and the Executive Management.

#### An overview of the Board of Directors' efforts in asserting the importance of corporate value creation with the employees at the Company through achieving the Company's strategic goals and improving key performance indicators.

The Board of Directors and the Executive Management are keen to create corporate values within stc by following the highest standards of the Code of Ethics and Business Conduct, in addition to applying the Employee Guide, which works to achieve the highest levels associated with applying business ethics, achieving the strategic goals, and improving performance rates, contributing effectively to creating institutional values among employees and motivates them.

## Rule (11): Focus on the Importance of Corporate Social Responsibility

### Corporate Social Responsibility

stc consistently strives to maintain its position as one of Kuwait's leading companies, playing an active and essential role in promoting the principles of corporate social responsibility (CSR) through the implementation of a comprehensive, diverse, and sustainable program that encompasses several fundamental and vital pillars.

The Company has continued to strengthen its integrated CSR program through numerous community campaigns and initiatives that create added value and a positive impact on society, contributing to social development and enhancing awareness of the importance of social responsibility.

stc also seeks to adopt a comprehensive and sustainable approach in implementing its CSR initiatives, with the participation of stc family members, in cooperation with governmental entities, public benefit organizations, and private

The Company also aims to ensure the sustainability of its community initiatives, which serve the interests of society both in the present and the future, grounded in ethical values, principles of governance, as well as neutrality and transparency. stc has placed its responsibility toward the community at the forefront of its priorities.

### Brief about the programs and mechanisms helping to highlight the Company's efforts exerted in the field of social work

With regard to social responsibility, stc Kuwait implemented a range of impactful initiatives focused on education, digital empowerment, entrepreneurship, and community health. These initiatives included partnerships, awareness campaigns, and support for programs in collaboration with government and private entities, as well as continuous support for entrepreneurs through the "Weyak" initiative and the InspireU. business accelerator program.

For further details on stc's most recent CSR initiatives, please refer to the CSR section published on the Company's website and the latest Annual Report.

sector institutions. This collaborative approach helps foster the development, empowerment, and growth of the community and the State of Kuwait.

As a leading digital transformation and sustainability-driven company in Kuwait, stc invests in strategic partnerships built on the concept of giving, and engaging with customers and various segments of society, driven by the belief that giving is the essence of success.

However, stc's leadership is not limited to its position in the local market. Since its establishment more than seventeen years ago, stc has spared no effort in reaffirming its commitment to a wider community, playing an active role in supporting the Kuwaiti society across its various sectors and groups, with a primary focus on education, health, sports, environment, entrepreneurship, and youth development.



# The Shariah Report of Kuwait Telecommunications Company (stc) Shariah Supervisory Board

## Shariah Supervisory Board Report For the period from 01/01/2025 to 31/12/2025 AD

Praise be to Allah, Lord of the worlds, and prayers and peace be upon our Prophet Mohammad, his family and all his companions

Pursuant to an appointment by the Members of General Assembly, according to the instructions of the supervisory authorities, and what is included in the Company's Memorandum of Association, the Shariah Supervisory Board submits the following report:

The Shariah Supervisory Board has examined the company's activities, the principles used and the contracts related to the transactions and applications offered by the company during the period, as well as expressing an opinion on

if the company complies with the provisions and principles of Islamic Shariah, and in accordance with fatwas, resolutions and instructions issued by the Shariah Supervisory Board and the Shariah standards approved by the Company.

The Shariah Supervisory Board has also reviewed the policies and procedures for the company's products and activities to work in accordance with the provisions of Islamic Shariah (None).

Response to all the company's inquiries that may arise from the work and related to the interpretation or application of Shariah standards.

It becomes clear that the company's management is held responsible in accordance with the provisions of Islamic Shariah.

Noting that:

- The resolutions issued by the Shariah Supervisory Board for contracts, operations and transactions concluded by the company during the period amounted to (18) on the following figure:-

The resolutions	(01/2025), (02/2025), (03/2025), (04/2025), (05/2025), (06/2025), (07/2025), (08/2025), (09/2025), (10/2025), (11/2025), (12/2025), (13/2025), (14/2025), (15/2025), (16/2025), (17/2025), (18/2025)
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- The shareholders are responsible for paying Zakat, so the shareholder shall pay Zakat on its shares if the conditions and legal controls for Zakat are fulfilled.
- Contracts and transactions concluded by the company during the period are in accordance with the provisions of Islamic Shariah.

Best Regards,

**Dr. Abdulrhman Al-Hamed**  
Chairman of the Shariah Committee

**Dr. Abdullah Al-Atiqi**  
Shariah Committee Member

**Dr. Abdullah Al-Rashidi**  
Shariah Committee Member

## Commitment to Shariah Compliance and Integrity Standards

# Audit Committee Report

## Committee Chairman Speech



**Eng. Bader Ben Saleh Al Anazi**

Audit Committee Chairman

### Dear Shareholders,

Peace, Mercy and Blessings of God be upon all of you

It gives me great pleasure, on my own behalf and on behalf of my fellow members of the Audit Committee, to welcome you to the Audit Committee's Annual Report for the year 2025. We are pleased to share with you the key activities and achievements accomplished by the Committee during the year, which build upon the continuous efforts of previous years to strengthen governance and promote sustainability in the Company's operations.

As one of the core pillars of corporate governance, the Audit Committee continually strives to support the Board of Directors in carrying out its oversight role, while enhancing transparency and integrity within the Company's operational and financial processes. During 2025, our focus was on strengthening the internal control

system and assessing its effectiveness and efficiency, with the aim of safeguarding the Company's assets, ensuring business continuity, and achieving its strategic objectives.

Among the Committee's major accomplishments this year was the comprehensive and thorough review of the Company's financial statements, ensuring their compliance with international accounting standards and regulatory requirements. The Committee also worked to enhance the independence of both internal and external auditors, enabling them to perform their roles efficiently and objectively, resulting in reports that accurately and transparently reflect the Company's financial position.

In addition, the Committee devoted special attention to addressing cybersecurity challenges by reviewing policies and

procedures related to data protection and information confidentiality, particularly in light of the accelerating pace of digital transformation. The Committee also monitored the implementation of the Company's digital transformation strategies within the internal audit function to ensure their alignment with strategic objectives and to enhance the Company's readiness for the future.

Commitment to governance and enhancing trust between the Company and its shareholders are key priorities that the committee is keen to achieve. The Committee has ensured that the Company adheres to all applicable laws and regulations, thereby reinforcing its reputation as an institution that upholds the highest professional standards.

In conclusion, I would like to express my sincere appreciation to the members of the Audit Committee for their dedication

and commitment to fulfilling their responsibilities, and to the Company's management for their continued cooperation and support. We remain committed to advancing the Company's objectives and ensuring the sustainability of its performance in a way that serves the interests of shareholders and strengthens its long-term success.

Yours sincerely,

**Eng. Bader Ben Saleh Al Anazi**

Audit Committee Chairman

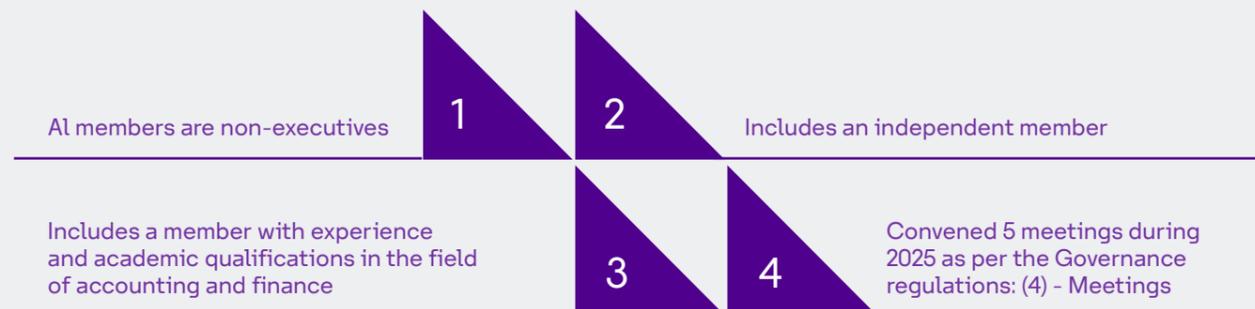
## Objective

The Audit Committee aims to uphold the principles of compliance and transparency by ensuring the integrity of financial reporting and the effectiveness of internal control systems, thereby safeguarding shareholders' interests and enhancing confidence in the Company's performance and sustainability.

## Members

<b>Eng. Bader Bin Saleh Al-Enezi</b> Committee Chairman – (Non-executive) & Board Member – (Non-executive)	<b>Mr. Hamad Abdulrahman Hamad Al Sanea</b> Committee Member – (Non-executive) & Board Member – (Non-executive)	<b>Mr. Abdulaziz Bin Abdullah Al-Ghamdi</b> Committee Member – (Non-executive) & Board Member – (Non-executive)	<b>Dr. Methqal Mohammad Sartawi</b> Committee Member – (Independent) & Board Member – (Independent)
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## Committee features:



## Roles and responsibilities:

Roles and responsibilities assigned to the committee as per the committee charter and governance regulations are as follows:

-  Review financial statements to ensure its validity and integrity.
-  Provide recommendations to the Board related to assigning the external auditor and monitor their performance.
-  Evaluate the internal control system.
-  Periodically evaluate the Committee's performance while ensuring governance and confidentiality.
-  Ensure compliance with policies and regulations and review the reports of the regulatory authorities.
-  Supervise the Internal Audit Department and ensure timely reporting.
-  Study the accounting policies, and provide recommendations on the same to the Board.
-  Oversee anti-fraud and anti-corruption efforts and ensure the existence of effective reporting and investigation.

## 2025 – Snapshot

 <b>Financial Statements</b>	 <b>Internal Control</b>	 <b>Internal Audit</b>
<ul style="list-style-type: none"> <li>■ Periodic review of FS (Quarterly &amp; Year-end) before presenting it to the board.</li> <li>■ Discussing external auditor's opinion on the FS and ensure its independence.</li> <li>■ Discussing significant changes in IFRS and its impact on the FS.</li> <li>■ Ensure the financial statements are correctly consolidated.</li> <li>■ Follow up on auditor's observations and any significant legal matters.</li> </ul>	<ul style="list-style-type: none"> <li>■ Review the ICR report that is conducted by independent external auditor.</li> <li>■ Discuss the quarterly and annual internal Shariah audit reports and Shariah Supervisory Board reports before submitting its recommendation to the board of directors.</li> <li>■ Assign the ICR project to an independent and approved firm to review the internal control system and then send it to CMA.</li> <li>■ Enforce the whistle blowing policy and ensure the compliance of it laws.</li> </ul>	<ul style="list-style-type: none"> <li>■ Approve the internal audit charter and the risk-based plan.</li> <li>■ Discuss IA reports and follow-up reports submitted by the IA department to close the raised points.</li> <li>■ Ensuring the independence of the Chief Internal Audit.</li> <li>■ Discuss and review IAD's objectives and KPIs.</li> <li>■ Discuss the Internal Audit Department's report on the results of data analytics and continuous auditing.</li> <li>■ Review the annual internal audit budget and oversee its technical performance</li> </ul>
 <b>External Audit</b>	 <b>Compliance</b>	 <b>Anti-Fraud and Anti-Corruption</b>
<ul style="list-style-type: none"> <li>■ Present proposals and recommendations related to assigning the external auditor by the Board and General Assembly.</li> <li>■ Presenting proposals and recommendations related to assigning the Shariah Supervisory by the Board.</li> <li>■ Follow-up with the management on the periodical reports sent to the regulators.</li> <li>■ Review the scope of work and objectives the external auditor.</li> </ul>	<ul style="list-style-type: none"> <li>■ Review the compliance reports that reflect the Company's compliance with external regulatory requirements and following up on the implementing the recommendations.</li> <li>■ Ensure compliance with corporate governance to enhance regulatory compliance.</li> <li>■ Monitor corrective actions on recommendations and observations issued by regulators.</li> </ul>	<ul style="list-style-type: none"> <li>■ Oversee internal audit plans and procedures to detect and address fraud and corruption.</li> <li>■ Ensure the existence of effective mechanisms for independent reporting and investigation of fraud or corruption.</li> <li>■ Follow up on auditor's observations and take necessary actions to safeguard the Company's integrity and financial position.</li> <li>■ Review the outcomes of investigations into reports submitted through the whistleblowing reports.</li> </ul>

# Financial Statements

Kuwait Telecommunications Company K.S.C.P. and its Subsidiaries Consolidated Annual Financial Statements and Independent Auditor's Report

31 December 2025

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# Financial Statements Integrity for the Board of Directors Declaration

## For the Fiscal Period Ended on 31st December 2025

I, undersigned, certify that we have reviewed the Company's financial statements for the fiscal period ended on 31st December 2025. Based on information available for us, we acknowledge that the present statements do not contain inaccurate information. No material information is omitted or withheld that could render these financial statements misleading in respect of the coverage period.

Therefore, the enclosed financial statements and other material information contained therein are fairly presented in all significant aspects such as the balance sheet, cash flows and operation outcomes of the reporting period.

In addition, we declare that we are responsible for developing the internal controls procedures of preparing the company's financial statements to reflect integrity and creditability in accordance with the related international financial standards.

**Dr. Mahmoud Ahmad  
Abdulrahman**

Chairman of the Board

**Deloitte & Touche Al-Wazzan & Co.**

**Ahmed Al-Jaber Street, Sharq**

Dar Al-Awadi Complex, Floors 7 & 9  
P.O. Box 20174, Safat 13062 Kuwait  
Tel: +965 22408844, 22438060  
Fax: +965 22408855, 22452080

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# Independent auditor's report to the shareholders of Kuwait Telecommunications Company K.S.C.P.

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Kuwait Telecommunications Company K.S.C.P. (the "Parent Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of consolidated financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matter that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

#### How our audit addressed the key audit matter

##### Revenue recognition

The Group reported revenue of KD 343 million, contract assets of KD 88 million and contract liabilities of KD 25 million for the year ended or as at 31 December 2025.

Telecommunication service revenue recognition involves processing high volume of transactions through complex IT systems.

The end-to-end process of revenue recognition related to telecommunication services from the entering of customers details in the network system through generation of call records and ultimately recognition of revenue in the accounting record is highly automated. Given the volume of transactions and complexity of IT systems, this area is considered most significant to our audit, requiring focused attention and effort.

Additionally, we identified a risk related to manual journal entries posted directly to the general ledger to adjust revenue balances. Such entries present a risk of management override of controls through inappropriate adjustments. This, together with the quantitative significance of the amount to the consolidated financial statements, the high volume of individually low-value transactions and the level of audit effort required has result in revenue recognition being identified as a key audit matter.

As a result, we have identified the above to be a key audit matter.

The accounting policy for revenue recognition is set out in note 2.3 and the related disclosures are made in note 18, note 10 and note 16 to the consolidated financial statements.

We performed the following procedures, inter alia, in order to address the key audit matter:

- We obtained an understanding of the significant revenue recognition processes, with the assistance of our internal IT specialists, and identified the relevant controls, IT systems, interfaces and reports involved in the revenue cycle;
- We assessed the abovementioned controls, including change management controls to determine if they had been appropriately designed and implemented and tested these controls to determine if they were operating effectively throughout the year;
- We evaluated the Group's accounting policies over revenue recognition to determine if they were in compliance with IFRS Accounting Standards;
- We reviewed, on sample basis, key reconciliations performed by the Group's revenue assurance team, including reconciliation from business support systems to billing and rating systems and ultimately to the general ledger;
- We selected a sample of subscribers for whom revenue had been recognized and verified the revenue amounts based on the underlying contracts. For contracts which contained multiple element arrangements, we assessed management's determination of the price allocated to each performance obligation and the accounting treatment applied to each performance obligation;
- We identified, on a sample basis, revenue-related manual journal entries posted directly to revenue accounts and agreed these entries to supporting documentation;
- We verified the reconciliation of contract liabilities to the charging system and revenue in profit or loss;
- We also assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

## Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 5 February 2025.

## Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Group for the year ended 31 December 2025. The other information does not include the consolidated financial statements and our auditor's report thereon. We obtained the report of the Parent Company's Board of Directors prior to the date of our auditor's report and we expect to obtain the remaining sections of the Group's Annual Report for the year ended 31 December 2025 after the date of our auditor's report.

Our opinion on the consolidated financial statements does not cover the other information, and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary

to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of accounts have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all the information that is required by the Companies Law No. 1 of 2016 and its Executive Regulations and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2025 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our audit, we have not become aware of any material violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations, as amended, during the year ended 31 December 2025, that might have had a material effect on the business of the Parent Company or on its financial position.

**Talal Y. Al-Muzaini**

**Licence No. 209A**

**Deloitte & Touche - Al Wazzan & Co.**

Kuwait  
27 January 2026

# Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 KD '000	2024 KD '000
<b>↓ Assets</b>			
<b>Non - current assets</b>			
Property and equipment	4	159,208	146,375
Goodwill and intangible assets	5	39,232	41,694
Right of use assets	6	24,335	19,934
Trade and other receivables	7	280	615
Contract assets	10	26,659	20,227
		<b>249,714</b>	<b>228,845</b>
<b>Current assets</b>			
Inventories	8	12,212	12,820
Prepayments and other current assets	9	19,042	14,581
Trade and other receivables	7	46,239	46,167
Contract assets	10	61,580	54,045
Cash, bank balances and deposits	11	90,375	105,779
		<b>229,448</b>	<b>233,392</b>
<b>Total assets</b>		<b>479,162</b>	<b>462,237</b>

	Notes	2025 KD '000	2024 KD '000
<b>↓ Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	99,874	99,874
Statutory reserve	12	52,483	52,483
Other reserves		115	130
Retained earnings		87,133	87,990
<b>Total equity</b>		<b>239,605</b>	<b>240,477</b>
<b>Non-current liabilities</b>			
Employees' end of service benefits	13	13,277	12,925
Islamic financing facilities	14	5,750	11,500
Lease liabilities	17	18,470	14,619
Trade and other payables	15	1,322	2,277
		<b>38,819</b>	<b>41,321</b>
<b>Current liabilities</b>			
Islamic financing facilities	14	5,750	5,750
Lease liabilities	17	5,404	5,650
Contract liabilities	16	24,645	25,573
Trade and other payables	15	164,939	143,466
		<b>200,738</b>	<b>180,439</b>
<b>Total liabilities</b>		<b>239,557</b>	<b>221,760</b>
<b>Total equity and liabilities</b>		<b>479,162</b>	<b>462,237</b>

The accompanying notes from 1 to 31 form an integral part of these consolidated financial statements.

**Dr. Mahmoud Ahmad Abdulrahman**  
Chairman



# Consolidated Statement of Profit or Loss

31 December 2025

	Notes	2025 KD '000	2024 KD '000
Revenue	18	342,512	336,515
Operating expenses	19	(182,999)	(183,920)
Staff costs		(26,596)	(25,609)
Expected credit losses on trade and other receivables and contract assets	7, 10	(11,281)	(12,866)
Depreciation, amortization and write offs		(54,564)	(50,574)
General and administrative expenses	20	(28,716)	(29,092)
Finance costs		(2,223)	(2,574)
Finance income and others, net	21	3,081	1,476
<b>Profit before taxation and Board of Directors' remuneration</b>		<b>39,214</b>	<b>33,356</b>
Taxation	22	(4,806)	(1,720)
Board of Directors' remuneration		(309)	(256)
<b>Profit for the year</b>		<b>34,099</b>	<b>31,380</b>
<b>Basic and diluted Earnings Per Share (Fils)</b>	<b>23</b>	<b>34</b>	<b>31</b>

The accompanying notes from 1 to 31 form an integral part of these consolidated financial statements.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

31 December 2025

	Notes	2025 KD '000	2024 KD '000
<b>Profit for the year</b>		<b>34,099</b>	<b>31,380</b>
<b>↓ Other comprehensive income (loss):</b>			
<i>Items that will not be reclassified subsequently to the consolidated statement of profit or loss:</i>			
Re-measurement (loss)/gain on employees' end of service benefits	13	(80)	136
<b>Other comprehensive (loss)/income for the year</b>		<b>(80)</b>	<b>136</b>
<b>Total comprehensive income for the year</b>		<b>34,019</b>	<b>31,516</b>

The accompanying notes from 1 to 31 form an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

31 December 2025

	Share capital	Statutory reserve	Other reserves	Retained earnings	Total
	KD '000	KD '000	KD '000	KD '000	KD '000
<b>As at 1 January 2025</b>	<b>99,874</b>	<b>52,483</b>	<b>130</b>	<b>87,990</b>	<b>240,477</b>
Profit for the year	-	-	-	34,099	34,099
Other comprehensive loss for the year	-	-	(80)	-	(80)
<b>Total comprehensive (loss)/ income for the year</b>	<b>-</b>	<b>-</b>	<b>(80)</b>	<b>34,099</b>	<b>34,019</b>
Share-based payment transaction (note 12)	-	-	65	-	65
Cash dividends (note 12)	-	-	-	(34,956)	(34,956)
<b>At 31 December 2025</b>	<b>99,874</b>	<b>52,483</b>	<b>115</b>	<b>87,133</b>	<b>239,605</b>
<b>As at 1 January 2024</b>	<b>99,874</b>	<b>52,483</b>	<b>(57)</b>	<b>91,566</b>	<b>243,866</b>
Profit for the year	-	-	-	31,380	31,380
Other comprehensive income for the year	-	-	136	-	136
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>136</b>	<b>31,380</b>	<b>31,516</b>
Share-based payment transaction (note 12)	-	-	51	-	51
Cash dividends (note 12)	-	-	-	(34,956)	(34,956)
<b>At 31 December 2024</b>	<b>99,874</b>	<b>52,483</b>	<b>130</b>	<b>87,990</b>	<b>240,477</b>

The accompanying notes from 1 to 31 form an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

31 December 2025

	Notes	2025 KD '000	2024 KD '000
<b>↓ Operating activities</b>			
Profit before taxation and Board of Directors' remuneration		<b>39,214</b>	33,356
<b>Adjustments for:</b>			
Depreciation, amortization and write offs		<b>54,564</b>	50,574
Finance costs		<b>2,223</b>	2,574
Expected credit loss - trade and other receivables	7	<b>3,050</b>	5,397
Expected credit loss - contract assets	10	<b>8,231</b>	7,469
Provision for employees' end of service benefits	13	<b>1,531</b>	1,862
Provision/(reversal) for slow-moving inventories	8	<b>291</b>	(367)
Provision for Prepayments and other current assets	9	-	463
Gain on derecognition of lease liabilities		<b>(183)</b>	-
<b>Operating profit before working capital changes:</b>		<b>108,921</b>	<b>101,328</b>
<b>Changes in:</b>			
Inventories		<b>317</b>	(1,540)
Prepayments and other current assets		<b>(4,461)</b>	(3,583)
Trade and other receivables		<b>(2,787)</b>	1,538
Contract assets		<b>(22,198)</b>	(14,171)
Contract liabilities		<b>(928)</b>	(1,486)

	Notes	2025 KD '000	2024 KD '000
Trade and other payables		14,807	16,523
<b>Cash flows from operating activities</b>		<b>93,671</b>	<b>98,609</b>
End of service benefits paid	13	(1,861)	(3,079)
<b>Net cash flows from operating activities</b>		<b>91,810</b>	<b>95,530</b>
<b>↓ Investing activities</b>			
Additions to property and equipment	4	(43,256)	(27,781)
Additions to intangible assets	5	(8,555)	(11,383)
Proceeds from sale of property and equipment		80	96
Net movement in term deposits		(231)	(34,689)
<b>Net cash flows used in investing activities</b>		<b>(51,962)</b>	<b>(73,757)</b>
<b>↓ Financing activities</b>			
Cash dividends paid		(34,529)	(34,723)
Payment of lease liabilities		(13,820)	(9,800)
Repayment of islamic financing facilities		(5,750)	(5,750)
Finance costs paid		(1,384)	(1,853)
<b>Net cash flows used in financing activities</b>		<b>(55,483)</b>	<b>(52,126)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(15,635)</b>	<b>(30,353)</b>
Cash and cash equivalents at the beginning of the year		56,610	86,963
<b>Cash and cash equivalents at the end of the year</b>	11	<b>40,975</b>	<b>56,610</b>
<b>Non-Cash Item:</b>			
Addition to right-of-use assets and lease liabilities		19,330	17,701

The accompanying notes from 1 to 31 form an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

31 December 2025

## 1. Corporation information

Kuwait Telecommunications Company K.S.C.P. (the "Parent Company") is a Kuwaiti Shareholding Company incorporated pursuant to Amiri decree No. 187 on 22 July 2008 to operate and manage the third GSM mobile network in Kuwait as per Law No. 2 of 2007. The shares of the Parent Company were listed on Boursa Kuwait on 14 December 2014 and it is a subsidiary of Saudi Telecommunications Company ("STC" or the "Ultimate Parent Company"), which is listed on the Saudi Stock Exchange.

The Parent Company was registered in the commercial register on 9 November 2008 under registration number 329673 and commenced its commercial operations on 3 December 2008.

The objectives for which the Parent Company is incorporated are the provision of all cellular mobile telecommunication and calling system services in State of Kuwait in accordance with the provisions of Islamic Shari'a and as per the criteria set by Ministry of Communications. In this regard, the Parent Company shall carry on the following business activities:

- Purchase, supply, install, operate and maintain wireless telecommunications devices and equipment (mobile telecommunications, calling system and other wireless services);
- Import and export the necessary devices, equipment and tools for the purpose of its objectives;
- Purchase or lease telecommunication lines and necessary facilities for providing the services in coordination with and with no overlap or conflict with the services provided by the State;
- Buy the manufacturing concessions that are directly related to the services from manufacturers or manufacture the same in State of Kuwait (following the approval of Public Authority for Industry in connection with the manufacturing);

- Introduce or manage other services of similar or supplementary nature to the wireless telecommunication services with a view to developing or integrating such services;
- Conduct technical research related to the business in order to improve and develop the services in cooperation with the relevant authorities inside State of Kuwait and abroad;
- Construct, buy, build and acquire the necessary lands and facilities for achieving the objectives (to the extent permitted by law);
- Purchase all necessary materials and machines to carry on its objectives and conduct maintenance for the same using all possible up-to-date techniques; and
- Utilize the monetary surpluses available with the Parent Company through investing the same in portfolios managed by specialized companies and entities and authorize the Board of Directors to undertake the same.
- Provide wireless data transfer service.
- International telephone calling service via special cards.
- Marketing, leasing and purchasing electronic communication devices and internal communication networks.
- Development of computer systems and systems for the localization of computers and their accessories.
- Buying, Selling, renting, installing computer systems and software, electronic communication devices and internal communication networks, marketing them and providing services for their operation and maintenance.
- Building and operating computer communication networks connected to databases.

- p. Design and equipping electronic computer centers and information systems for the benefit of the company.
- q. Manufacture, production and operation of smart cards to cover the demand in the field of communication and prepayment.
- r. Provide and implement all works and networks in the field of wireless communications.
- s. Providing technical consultation, design, supervision, operation and maintenance of wireless communications and representing the companies carrying out these works.
- t. Bring, importing, selling and leasing devices and equipment related to communications and their spare parts.
- u. Buying and selling shares, papers and financial instruments for the company's account only.
- v. Manage, operate and provide public telecommunications services on:
  - i. Landline broadcasting facilities.
  - ii. Terrestrial radio broadcasting facilities.
  - iii. Mobile base station facilities.
  - iv. Submarine cable facilities.
  - v. International gateway service facilities.
  - vi. Facilities of the space ground station.
  - vii. Other satellite facilities located in the State of Kuwait that provide broadcasting capabilities for public telecommunication services.

- w. Establish, manage and lease internet infrastructure for the public telecommunications network.
- x. Operation and leasing of data centers, information centers and the cloud.
- y. Providing and developing digital payment systems, payment services and electronic transfer of funds.

The Company may have an interest or participate in any way with the bodies that carry out business similar to its business or that may help to achieve its purposes in Kuwait and abroad and may purchase or attach such bodies to them.

The Parent Company owns 100% shares of Quality Net General Trading & Contracting Company W.L.L. and E-Portal Holding Company K.S.C. (Closed) (hereinafter, the Parent Company and its subsidiaries are referred to as the "Group").

The Parent Company is domiciled in the State of Kuwait and is located at Al-Asimah Tower, Kuwait City – Al-Murgab Area, Block 3, Plot 12. The consolidated financial statements of the Group were authorized for issue by the Board of Directors of the Parent Company on 27 January 2026. The shareholders of the Parent Company have the power to amend these consolidated financial statements at the Annual General Assembly meeting after issuance.

Details of the subsidiaries are given in Note 2.3.

**Going concern**

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

## 2. Basis of preparation and changes to the Group's accounting policies

### 2.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements are prepared under the historical cost convention.

The consolidated financial statements have been presented in Kuwaiti Dinars ("KD"), which is also the Parent Company's functional and presentation currency, and all values are rounded to the nearest KD thousand except when otherwise stated.

### 2.2. New and revised accounting standards

#### Effective for the current year

Following standard, interpretation or amendment are effective from the current year and are adopted by the Group but however these does not have any impact on the consolidated financial statements of the year unless otherwise stated below:

Standard, interpretation, amendments	Description
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

#### Standards issued but not yet effective

At the date of authorization of these consolidated financial statements, the Group has not applied the following new and revised IFRS accounting standards that have been issued but are not yet effective:

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	These amendments: <ul style="list-style-type: none"> <li>■ permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.</li> <li>■ clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</li> <li>■ add new disclosures for certain instruments with contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI and each class of financial liability measured at amortised cost; and</li> <li>■ Investments in equity instruments designated at FVTOCI- require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.</li> </ul>	1 January 2026

Standard, interpretation, amendments	Description	Effective date
IFRS 18 Presentation and Disclosures in Financial Statements	<p>IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.</p> <p>IFRS 18 introduces new requirements to:</p> <ul style="list-style-type: none"> <li>present specified categories and defined subtotals in the statement of profit or loss</li> <li>provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements</li> <li>improve aggregation and disaggregation.</li> </ul> <p>The application of this standard may have an impact on the consolidated financial statements in future periods.</p>	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	<p>IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.</p> <p>An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:</p> <ul style="list-style-type: none"> <li>it is a subsidiary (this includes an intermediate parent)</li> <li>it does not have public accountability, and</li> <li>its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</li> </ul>	1 January 2027
Annual Improvements to IFRS Accounting Standards – Volume 11	Limited to amendments that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards	1 January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the consolidated financial statements in the period of its initial application.

## 2.3. Material accounting policy information

### Basis of consolidation

The consolidated financial statements comprise the financial statement of the Parent Company and its subsidiaries (investee which is controlled by the Parent Company). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group re-assesses at each reporting date whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Assets, liabilities, income and expenses of a subsidiaries acquired during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiaries.

A change in the ownership interest of a subsidiaries, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Any investment retained is recognised at fair value.

The details of the subsidiaries are as follows: -

Name of subsidiaries	Equity interest as at 31 December		Principal activities	Country of incorporation
	2025	2024		
Qualitynet General Trading and Contracting Company W.L.L. (Solutions by STC) <sup>1</sup>	100%	100%	Internet and Data communication Services	Kuwait
E-Portal Holding Company K.S.C. (Closed)	100%	100%	IT systems license installation and its implementation related services	Kuwait

<sup>1</sup> The remaining equity interest in this subsidiary is held by related parties on behalf of the Parent Company. Therefore, the effective holding of the Group in this subsidiary is 100% and there are letters of renunciation in favour of the Group confirming that it is ultimate beneficiary of the remaining equity interest.

The financial statements of the subsidiaries are prepared for the same reporting dates as of the Parent Company using consistent accounting

policies. All inter-group balances and transactions, including inter-group profits and unrealized profits and losses and dividends are eliminated on consolidation.

## Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess

of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

## Revenue recognition

The Group principally earns revenue from providing cellular mobile telecommunication and data services comprising access charges, airtime usage, messaging, data services, interconnect fees, connection fees and from sale of devices and equipment. The services are rendered both on their own in separate identified contracts with customers and together as a bundled package of goods and services. The Group recognizes revenue when it transfers control over a product or services to a customer.

Under IFRS 15, the Group has concluded that performance obligations in contract are typically identified as for devices (mobile handsets and any other equipment) and for services provided to customers (data and voice) and revenue from these performance obligations are recognized either at a point in time or over time when the respective performance obligations in a contract are delivered to the customer.

The Group determines the stand-alone selling prices to be allocated to the performance obligations under the contracts based on observable sale prices. The Group performs an assessment of whether a contract meets the criteria under IFRS 15; and when

the criteria is not met, the revenue is recognized when the consideration is received, and it is non-refundable based on the contractual terms.

## Telecommunication services

Telecommunication services include voice, data and text services. The Group recognizes revenues as and when these services are provided (i.e. actual usage by the customer).

## Bundled packages

For bundled contracts, the revenue is allocated to the sale of devices and services separately if they are distinct, that is, if a product or service is separately identifiable from other items in the bundled contract and if a customer can benefit from it. The Group recognizes the amount allocated for the sale of the device as revenue when it transfers control of the device and correspondingly creation of contract asset. The Group recognizes the allocated revenue to service as revenue over time when the services are rendered.

## Sale of devices

The Group recognizes revenues when the control of the device is transferred to the customer. This usually occurs at the contract inception when the customer takes the possession of the device.

## Installation and maintenance contracts

The Group also enters into installation and maintenance contracts where the revenue is recognised over time based on the period of contract. The related costs are recognised in the consolidated statement of profit or loss when they are incurred. Advances received, if any, are included in contract liabilities.

## Contract costs

Under IFRS 15, incremental cost incurred in acquiring a contract with a customer are deferred and amortized over the life of the related contract. Such deferred costs are classified as an asset in the consolidated statement of financial position.

## Value added services - Principal vs. agent

The Group provides certain value-added services to its customers which are of direct carrier billing in nature. The Group determines whether it will be acting as a principal or an agent on these types of services and accordingly recognizes gross revenue if it is a principal, and net revenue if it is an agent.

## Significant financing component

If a customer can pay for purchased equipment or services over a period of time, IFRS 15 requires judgement to determine if the contract includes a significant financing component. If it does, then the transaction price is adjusted to reflect the time value of money.

## Customer loyalty program

Credit awards resulting from sale proceeds is deferred until the customer redeems or the obligation in respect of the credit award is fulfilled.

Deferred revenue is released to consolidated statement of profit or loss when it is no longer considered probable that the credit awards will be redeemed.

## Contract assets and liabilities

The Group records a contract asset when the goods and services have been provided to the customer however, the Group's right related to consideration for the performance obligation is conditional on satisfying other performance obligations within the contract. Contract assets primarily relate to the Group's rights to consideration for provision of goods and services in the future.

The Group records a contract liability when the payments have been received from the customer in advance of providing goods and services. The Group accounts for contract assets and liabilities on a contract-by-contract basis, with each contract presented as either a net contract asset or a net contract liability accordingly.

## Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial instruments carried at amortised cost, the fair value is estimated by discounting future cash flows at the current market rate of return for similar financial instruments.

## Cash and cash equivalents

Cash on hand, demand and time deposits with banks whose original maturities do not exceed three months are classified as cash and cash equivalents in the consolidated statement of cash flows.

## Property and equipment

### Recognition and measurement

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour.
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and

Network equipment and infrastructure	5 – 25 years
IT related assets	3 – 8 years
Furniture and fixtures	3 – 6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software, that is integral to the functionality of the related equipment, is capitalized as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the consolidated statement of profit or loss.

Capital work in progress is stated at cost less impairment losses, if any. Depreciation of these assets commences when the assets are ready for their intended use in accordance with the Group's policies.

### Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

### Depreciation

Items of property and equipment are depreciated from the date they are ready for use. Depreciation is calculated based on the depreciable amount (original cost less residual value) over estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use.

Depreciation is recognized in the consolidated statement of profit or loss. The estimated useful lives of significant items of property and equipment are as follows:

The useful lives are reviewed periodically and are reassessed and adjusted, if appropriate, at each reporting date to ensure that the period of depreciation is consistent with the expected

pattern of economic benefits from items of property and equipment. A change in the estimated useful life of property and equipment is applied at the beginning of the period of change with no retrospective effect.

## Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses if any. Cost includes the purchase cost and directly associated costs of being the asset for its intended use.

The useful lives of the intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised to their residual values over the useful economic life and assessed for impairment

	Telecommunication License	Customer relationships	Software licenses	Others
Useful lives	20 years	7 – 11 years	5 years	1-20 years
Amortisation method used	Straight line	Straight line	Straight line	Straight line
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired

## Inventories

Inventories consist of goods held for resale and work-in-progress mainly materials on site for various projects which will be subsequently expensed to operating expenses on completion of the projects. Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is based on the weighted-average principle and includes expenditure incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale.

whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

The summary of the policies applied to the Group's intangible assets are as follows:

## Financial instruments

### Classification and measurement of financial assets and financial liabilities

#### Financial assets

Under IFRS 9, the Group determines the classification of financial assets based on the business model it uses to manage the financial assets and the contractual cashflow characteristics of the financial assets.

#### Business model assessment

The Group determines its business model at the level that best reflects how it manages financial assets to achieve its business objective. The information considered includes:

- The stated policies and objectives for the financial assets and the operation of those policies in practice;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### **Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI test)**

The Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. Interest is defined as consideration for time value of money and for the credit risk associated with the principal and for other basic lending risks and costs, as well as, a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The Group has determined the classification of its financial assets, being contract assets, trade and other receivables and cash, bank balances and deposits and has concluded that these are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analyzed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for measurement under the amortized cost method.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective profit rate method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective profit rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective profit rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

#### **Derecognition of financial assets**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. Any gain or loss upon derecognition is recognized in the consolidated statement of profit or loss.

#### **Financial liabilities**

All financial liabilities are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liability category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective profit method.

The effective profit method is a method of calculating the amortised cost of a financial liability and of allocating profit expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) through the expected

life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability

Financial liabilities comprise of Islamic financing facilities and trade and other payables.

#### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of profit or loss.

#### **Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, both of the following conditions are satisfied:

- The Group has a legal enforceable right to offset the recognised amounts of the assets and liabilities; and
- The Group intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### **Impairment**

##### **Non-derivative financial assets**

For contract assets and trade and other receivables, the Group has applied the simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the Group's economic environment. The management has considered the segmentations in respect to the trade receivables and contract assets based on demographic factors of the underlying portfolios.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### **(i) Significant increase in credit risk**

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default,
2. The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

#### **(ii) Measurement and recognition of expected credit losses**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate

### Definition of default

The management considers a financial asset in default when the contractual payments are 90 days past due. However, in certain cases, the management may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

### Write off

Further, the Group writes off trade receivables when there is relevant information to assess that the customer is in severe financial difficulty and there is no realistic prospect of recovery.

### Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. The Group prepares formal five year plans for its businesses. These plans are used for the value in use calculation. Long range growth rates are used for cash flows into perpetuity beyond the five year period. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and

the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill acquired in a business combination is allocated to groups at CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognized in consolidated statement of profit or loss. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit or loss.

### Employee benefits

Pensions and other social benefits for Kuwaiti employees are covered by the Public Institution for Social Security Scheme, to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Group's share of contributions to this scheme is charged to the consolidated statement of profit or loss in the year to which they relate.

The employees are entitled to an end of service indemnity payable under the Kuwait Labor Law and the Group's by-laws based on the employees' accumulated periods of service and latest entitlements of salaries and allowances. The present value of end of service indemnity payable, which is unfunded, is determined annually by actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions such as determination of the discount rate, future salary increases and mortality rates. These assumptions are reviewed at each reporting date.

### Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### Leases

At inception of a contract, the Group assesses whether the contract is a lease. A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. If the contract is identified as a lease, the Group recognises a right-of-use asset representing right to use the underlying assets and a lease-liabilities to make the lease payments at the lease commencement date.

### Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the period of lease. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment- Non-financial assets.

### Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Segment reporting

Operating segments of the Group are identified based on the internal reports, which are regularly reviewed by the Chief Executive Officer ("CEO") for the purpose of resource allocation among the segment and performance assessment.

### Contingencies

Contingent liabilities are not recognised in the consolidated statement of financial position, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated statement of financial position, but are disclosed when an inflow of economic benefits is probable.

### Foreign currency transactions

The consolidated financial statements are presented in Kuwaiti Dinars, which is the Parent Company's functional and presentation currency. Each entity

in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## 3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Significant judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

### Taxation

The income tax expense represents the sum of the tax currently payable.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

### Classification of financial assets

The Group determines the classification of financial assets based on the assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and profit on the principal amount outstanding.

### Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

### Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

### Contingent liabilities

Contingent liabilities are potential liabilities that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated. The determination of whether or not a provision should be recorded for any potential liabilities or litigation is based on management's judgment.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. This estimation is performed on an individual basis for items of inventory.

### Impairment of property and equipment and intangible assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication or objective evidence of impairment or when annual impairment testing for an asset is required. If any such indication or evidence exists, the asset's recoverable amount is estimated and an impairment loss is recognised in the consolidated statement of profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

### Useful lives of property and equipment and intangible assets

The Group's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation and amortisation respectively. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation and amortisation charge would be adjusted when the management believes the useful lives differ from previous estimates. The useful lives are reviewed periodically and are reassessed and adjusted, if appropriate, at each reporting date to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from items of property and equipment. A change in the estimated useful life of property and equipment is applied at the beginning of the period of change with no retrospective effect.

### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use or fair value less cost to sell of the CGU to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

### Allowance for expected credit losses of trade and other receivables and contract assets

The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the Group's economic environment. The management has considered the segmentations in respect to the trade receivables and contract assets based on demographic factors of the underlying portfolios. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in a particular sector, the historical default rates are adjusted. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions.

### Revenue recognition

The process of recognizing revenue requires the following judgments and estimates:

- Determining the transaction price of contracts requires estimating the amount or revenue which the Group expects to be entitled to for delivering the performance obligations within a contract; and
- Determining the stand-alone selling price of performance obligations and the allocation of the transaction price between performance obligations.

#### i. Determining the transaction price

The transaction price is the amount of consideration that is enforceable and to which the management expects to be entitled in exchange for goods and services promised to the customer. The management determines the transaction price by considering the terms of the contract and business practices that are customary. Discounts, rebates, refunds, credits, price concessions, incentives, penalties, and other similar items are reflected in the transaction price at contract inception.

#### ii. Determining stand-alone selling price and the allocation of transaction price

The transaction price is allocated to performance obligations based on the relative stand-alone selling prices of the distinct goods or services in the contract. The best evidence of a stand-alone selling price is the observable price of a good or service when the entity sells that good or service separately in similar circumstances and to similar customers. If a stand-alone selling price is not directly observable, we estimate the stand-alone selling price taking into account the reasonably available information relating to the market conditions, entity-specific factors and class of customer.

In determining the stand-alone selling price, we allocate revenue between performance obligations based on expected minimum enforceable amounts to which the Group is entitled.

#### iii. Distinct goods and services

The management makes judgment in determining whether a promise to deliver goods or services is considered distinct. The management accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items in the bundled package and if the customer can benefit from it). The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. For items that are not sold separately, the management estimates the stand-alone selling prices using the adjusted market assessment approach.

### Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiaries functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

## 4. Property and equipment

	Network equipment and infrastructure	IT related assets	Furniture and fixtures	Capital work in progress <sup>1</sup>	Total
	KD'000	KD'000	KD'000	KD'000	KD'000
<b>↓ Cost:</b>					
At 1 January 2025	411,464	60,906	5,429	10,876	488,675
Additions	-	-	-	44,292	44,292
Transfers	33,033	7,770	2,313	(43,116)	-
Write-offs and disposals	(7,350)	-	(3,474)	-	(10,824)
<b>At 31 December 2025</b>	<b>437,147</b>	<b>68,676</b>	<b>4,268</b>	<b>12,052</b>	<b>522,143</b>
<b>↓ Depreciation and impairment:</b>					
At 1 January 2025	(290,388)	(48,451)	(3,461)	-	(342,300)
Charge for the year	(23,282)	(5,369)	(1,064)	-	(29,715)
Write-offs and disposals	6,311	-	2,769	-	9,080
<b>At 31 December 2025</b>	<b>(307,359)</b>	<b>(53,820)</b>	<b>(1,756)</b>	<b>-</b>	<b>(362,935)</b>
<b>↓ Carrying amount</b>					
<b>At 31 December 2025</b>	<b>129,788</b>	<b>14,856</b>	<b>2,512</b>	<b>12,052</b>	<b>159,208</b>
<b>↓ Cost:</b>					
At 1 January 2024	393,477	55,164	5,505	7,312	461,458
Additions	-	12	54	27,715	27,781
Transfers	18,237	5,730	184	(24,151)	-
Write-offs and disposals	(250)	-	(314)	-	(564)
<b>At 31 December 2024</b>	<b>411,464</b>	<b>60,906</b>	<b>5,429</b>	<b>10,876</b>	<b>488,675</b>

<sup>1</sup> Capital work in progress comprises of cellular and other equipment. Such assets are not subject to depreciation until the network is tested and is ready for use.

	Network equipment and infrastructure	IT related assets	Furniture and fixtures	Capital work in progress	Total
	KD'000	KD'000	KD'000	KD'000	KD'000
<b>↓ Depreciation and impairment:</b>					
At 1 January 2024	(267,925)	(43,412)	(2,822)	-	(314,159)
Charge for the year	(22,700)	(5,039)	(930)	-	(28,669)
Write-offs and disposals	237	-	291	-	528
<b>At 31 December 2024</b>	<b>(290,388)</b>	<b>(48,451)</b>	<b>(3,461)</b>	<b>-</b>	<b>(342,300)</b>
<b>↓ Carrying amount</b>					
<b>At 31 December 2024</b>	<b>121,076</b>	<b>12,455</b>	<b>1,968</b>	<b>10,876</b>	<b>146,375</b>

## 5. Goodwill and intangible assets

	Goodwill	License	Customer relationships	Software licenses	Others <sup>1</sup>	Total
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
<b>↓ 2025</b>						
<b>Cost</b>						
At 1 January	11,876	19,235	3,126	10,689	22,478	67,404
Additions	-	-	-	-	8,555	8,555
Disposals	-	-	-	-	(6,474)	(6,474)
<b>At 31 December</b>	<b>11,876</b>	<b>19,235</b>	<b>3,126</b>	<b>10,689</b>	<b>24,559</b>	<b>69,485</b>
<b>Amortization charge</b>						
At 1 January	-	(5,451)	(1,285)	(5,013)	(13,961)	(25,710)
Charge for the year	-	(962)	(294)	(2,080)	(7,681)	(11,017)
Disposals	-	-	-	-	6,474	6,474

	Goodwill	License	Customer relationships	Software licenses	Others <sup>1</sup>	Total
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
At 31 December	-	(6,413)	(1,579)	(7,093)	(15,168)	(30,253)
<b>Net carrying amount:</b>						
At 31 December	11,876	12,822	1,547	3,596	9,391	39,232
<b>↓ 2024</b>						
<b>Cost</b>						
At 1 January	11,876	19,235	3,126	5,780	22,478	62,495
Additions	-	-	-	4,909	6,474	11,383
Disposals	-	-	-	-	(6,474)	(6,474)
<b>At 31 December</b>	<b>11,876</b>	<b>19,235</b>	<b>3,126</b>	<b>10,689</b>	<b>22,478</b>	<b>67,404</b>
<b>Amortization charge</b>						
At 1 January	-	(4,489)	(991)	(2,968)	(13,353)	(21,801)
Charge for the year	-	(962)	(294)	(2,045)	(7,082)	(10,383)
Disposals	-	-	-	-	6,474	6,474
<b>At 31 December</b>	<b>-</b>	<b>(5,451)</b>	<b>(1,285)</b>	<b>(5,013)</b>	<b>(13,961)</b>	<b>(25,710)</b>
<b>Net carrying amount:</b>						
At 31 December	11,876	13,784	1,841	5,676	8,517	41,694

The intangible assets are having finite life and is amortized on a straight-line basis over its useful life.

### Goodwill

The carrying value of the goodwill amounting to KD 3,400 thousand as at 31 December 2025(31 December 2024: KD 3,400 thousand) pertains to investment in Qualitynet General Trading and Contracting Company W.L.L. ("Qualitynet") and KD 8,476 thousand as at 31 December 2025 (31 December 2024: KD 8,476 thousand) pertains to investment in E-Portal.

### Impairment testing for goodwill

The carrying value of goodwill is tested for impairment on an annual basis (or more frequently if evidence exists that goodwill might be impaired) by estimating the recoverable amount of the cash generating unit (CGU) to which these items are allocated using value-in-use calculations unless fair value based on an active market price is higher than the carrying value of the CGU. The value in use calculations use pre-tax cash flow projections based on financial budgets approved by management over a five years' period and a relevant terminal growth rate. These cash

<sup>1</sup> Others include contract with related parties for infeasible right to use asset ("IRU"), spectrum licenses and other contractual intangible assets.

flows are then discounted to derive a net present value which is compared to the carrying value. The discount rate used is pre-tax and reflects specific risks relating to the relevant cash generating unit.

Recoverable amount of goodwill calculated using value-in-use method based on following inputs.

## Key assumptions used in value in use calculations and sensitivity to changes in assumptions

### Discount rate

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). A discount rate of 13.16% (2024: 14.21%) for Qualitynet and 13.48% (2024: 12.17%) for E-portal is used to estimate the recoverable amount.

### Terminal growth rate

Terminal growth rate is based on the long-term inflation forecast for the State of Kuwait. A terminal growth rate of 2.5% for Qualitynet (2024: 3.42%) and 2.35% for E-portal (2024: 2.72%) is used to estimate the recoverable amount of these cash generating units.

The Group has also performed a sensitivity analysis by varying these inputs factors by a reasonable margin (1% for discount rate, 1% for terminal growth rates and 2% for Gross margins). Based on such analysis, there are no indications that goodwill is impaired.

## 6. Right of use of assets

	KD'000		
	Sites, exchanges and network assets	Land and buildings	Total
Balance as of 31 December 2024	9,010	10,924	19,934
Add: Additions	2,886	16,444	19,330
Less: Depreciation	(9,162)	(4,045)	(13,207)
Less: Cancellations	-	(1,722)	(1,722)
<b>Closing balance as at 31 December 2025</b>	<b>2,734</b>	<b>21,601</b>	<b>24,335</b>

	KD'000		
	Sites, exchanges and network assets	Land and buildings	Total
Balance as of 31 December 2023	8,291	6,274	14,565
Add: Additions	9,297	8,404	17,701
Less: Depreciation	(8,578)	(2,986)	(11,564)
Less: Cancellations	-	(768)	(768)
<b>Closing balance as at 31 December 2024</b>	<b>9,010</b>	<b>10,924</b>	<b>19,934</b>

## The Group's leasing activities and how these are accounted for:

The Group mostly leases indoor and outdoor spaces for installation of its telecommunications sites. Lease terms are negotiated on an individual basis and

contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

## 7. Trade and other receivables

	2025	2024
	KD '000	KD '000
Gross trade receivables	66,724	65,548
Allowance for expected credit losses	(26,039)	(23,979)
	<b>40,685</b>	<b>41,569</b>
Other receivables	2,190	2,011
Allowance for expected credit losses	(970)	(970)
	<b>1,220</b>	<b>1,041</b>
Due from related parties (note 25)	6,804	5,372
Allowance for expected credit losses	(2,190)	(1,200)
	<b>4,614</b>	<b>4,172</b>
	<b>46,519</b>	<b>46,782</b>

	2025	2024
	KD '000	KD '000
↓ Represented by:		
Non-current portion	280	615
Current portion	46,239	46,167
	46,519	46,782

Set out below is the movement in the allowance for expected credit losses on trade and other receivables:

	2025	2024
	KD '000	KD '000
At 1 January	26,149	21,885
Charge for the year	3,050	5,397
Write-offs	-	(1,133)
<b>At 31 December</b>	<b>29,199</b>	<b>26,149</b>

The maximum exposure to credit risk at the reporting date is the carrying value of receivables mentioned above as disclosed in note 27.

## 8. Inventories

	2025	2024
	KD '000	KD '000
Goods held for sale <sup>1</sup>	12,947	13,512
Less: provision for old and obsolete inventories	(735)	(692)
	12,212	12,820

<sup>1</sup> The Group inventories mainly consist of telecom devices.

Movements in the impairment of provision for old and obsolete inventories were as follows:

	2025	2024
	KD '000	KD '000
At 1 January	692	1,059
Charge for the year (included under operating expenses)	291	(367)
Write-offs	(248)	-
<b>At 31 December</b>	<b>735</b>	<b>692</b>

## 9. Prepayments and other current assets

	2025	2024
	KD '000	KD '000
Prepayments	11,921	6,686
Other current assets including contract costs	7,584	8,358
Less: Provisions	(463)	(463)
	19,042	14,581

## 10. Contract assets

	2025	2024
	KD '000	KD '000
Unbilled revenue	91,379	77,218
Less: allowance for expected credit losses	(3,140)	(2,946)
	88,239	74,272

	2025	2024
	KD '000	KD '000
↓ Represented by:		
Non-current portion	26,659	20,227
Current portion	61,580	54,045
	88,239	74,272

Set out below is the movement in the allowance for expected credit losses of contract assets:

	2025	2024
	KD '000	KD '000
At 1 January	2,946	3,719
Charge for the year	8,231	7,469
Write-offs during the year	(8,037)	(8,242)
At 31 December	3,140	2,946

## 11. Cash, bank balances and deposits

	2025	2024
	KD '000	KD '000
Cash at banks	7,949	15,387
Cash in hand	39	2
Islamic deposits <sup>1</sup>	82,387	90,390
<b>Cash, bank balances and deposits as per consolidated statement of financial position</b>	<b>90,375</b>	<b>105,779</b>
Less: Islamic deposits with original maturity exceeding 3 months but less than 12 months	(49,400)	(49,169)
<b>Cash, bank balances and deposits in the consolidated statement of cash flows</b>	<b>40,975</b>	<b>56,610</b>

<sup>1</sup> Islamic deposits are placed with local Islamic financial institutions and carry an effective profit rate of 3.3% - 4.9% (2024: 3.9% - 5.4%) per annum.

## 12. Equity

### Share capital

The Parent Company's authorized, issued and fully paid-up share capital is KD 99,874 thousand (31 December 2024: KD 99,874 thousand) comprising of 998,733,704 (31 December 2024: 998,733,704) shares of 100 fills each and is fully paid in cash.

### Statutory reserve

In accordance with the Companies Law No. 1 of 2016, as amended and its Executive Regulation, as amended, and the Parent Company's Articles of Association, 10% of the profit before Taxation and Board of Directors' remuneration for the year is transferred to statutory reserve until the reserve totals 50% of the paid up share capital, after which such transfers can be discontinued by a resolution of the shareholders in the Annual General Assembly meeting upon recommendation by the Board of Directors.

Distribution of the reserve is limited to the amount required to enable the payment of a dividend of 5% of paid up share capital to be made in years when retained earnings are not sufficient for the payment of a dividend of that amount. The Parent Company has discontinued such annual transfers as the it has exceeded 50% of the authorized, issued and fully paid-up share capital.

### Voluntary reserve

In accordance with the Parent Company's Articles of Association, a percentage of profit before contribution to Taxation and Board of Directors' remuneration for the year, as recommended by the Board of Directors and approved by the shareholders, must be deducted and transferred to a voluntary reserve. Such transfers may

be discontinued by a resolution of the shareholders in the Annual General Assembly meeting upon recommendation by the Board of Directors. There are no restrictions on the distribution of this reserve. During the previous years, the shareholders have approved to discontinue transfers to voluntary reserve.

### Share Based Payments

The Group has recognized the value of equity-settled share-based payment reserve as part of employee benefit expense amounting to KD 65 thousand (31 December 2024: KD 51 thousand).

### Recommended cash dividends for the year 2025

The Parent Company's Board of Directors recommended to distribute cash dividends to the shareholders of the Parent Company of 38 fils per share amounting to KD 37,952 thousand for the year ended 31 December 2025.

The recommended cash dividends are only due when its approved by the shareholders' Annual General Assembly meeting, and to be distributed to shareholders after obtaining the necessary approvals from the regulatory authorities.

### Annual General Meeting ("AGM")

The Annual General Assembly meeting of the shareholders held on 18 March 2025 approved distribution of cash dividends of 35 fils per share (31 December 2023: 35 fils per share) amounting to KD 34,956 thousand (31 December 2023: KD 34,956 thousand) for the year ended 31 December 2024. This was paid on 20 April 2025.

## 13. Employees' end of service benefits

The Group provides end of service benefits to its employees. The entitlement is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Labour Law applicable in the State of Kuwait, and is payable

upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

The plan typically exposes the Group to actuarial risks such as: discount rate, salary risk and withdrawal risk.

Discount rate	A decrease in the discount rate will increase the plan liability.
Salary risk	The present value of the end of service benefit plan liability is calculated by reference to the estimated future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
Withdrawal risk	Benefits are paid when an employee leaves employment either through resignation or retirement. The rate of withdrawal therefore affects the timing of the payment and consequently the liability at the reporting date.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31 December 2025. The present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions in determining the end of service

provisions are discount rate 4.75% (2024: 4.50%) and expected rate of salary increase in range of 3% to 4% (2024: 3% to 4%).

Movements in the present value of the end of service benefit obligation in the current year were as follows:

	2025	2024
	KD '000	KD '000
At 1 January	12,925	13,557
Interest on end of service benefits	602	721
Expenses recognized	1,531	1,862
Re-measurement loss /(gain)	80	(136)
Benefits paid during the year	(1,861)	(3,079)
<b>At 31 December</b>	<b>13,277</b>	<b>12,925</b>

Re-measurement (gain) loss is comprised of actuarial changes arising from financial assumption and experience adjustments.

### Sensitivity analysis:

The sensitivity analyses below have been determined based on reasonably possible changes of the below mentioned assumptions as at the reporting period, while holding all other assumptions constant.

- If discount rate is 25 basis point higher (lower), the end of service benefit obligation would decrease by KD 331 thousand (increase by KD 319 thousand).
- If the expected salary growth increases (decreases) by 25 basis points, the end of service benefit obligation would increase by KD 333 thousand (decrease by KD 323 thousand).

The sensitivity analysis presented above may not be representative of the actual change in the end of service benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

### Early retirement plan

During 2024, the Group has introduced an early retirement plan for its employees. The amount recognized as an expense for the year ended 31 December 2025 is KD 1,400 thousand (31 December 2024: KD 1,893 thousand) included under "Finance income and others, net" in consolidated statement of profit or loss (Note 21).

## 14. Islamic financing facilities

The Group has Islamic financing arrangements amounting to KD 135,000 thousand out of which KD 23,000 thousand was utilized, which is repayable over 4 years starting from March 2024 in equal

quarterly installments. As at 31 December 2025, KD 11,500 thousand (31 December 2024: KD 17,250 thousand) is outstanding against these facilities.

	2025	2024
	KD '000	KD '000
↓ Represented by:		
Non-current portion	5,750	11,500
Current portion	5,750	5,750
<b>At 31 December</b>	<b>11,500</b>	<b>17,250</b>

Islamic financing facilities are unsecured and carries profit rate in the range of 4.3%-4.55% (31 December 2024: 4.55%-4.80%) per annum.

The maturity analysis and changes in liabilities arising from Islamic financing facilities is disclosed in Note 27.

## 15. Trade and other payables

	2025	2024
	KD '000	KD '000
Trade payables	24,066	17,689
Accruals and provisions	82,889	59,365
Other payables	16,453	16,827
Due to related parties (note 25)	42,853	51,862
	<b>166,261</b>	<b>145,743</b>
↓ Represented by:		
Non-current portion	1,322	2,277
Current portion	164,939	143,466
	<b>166,261</b>	<b>145,743</b>

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 27.

Due to related parties mainly includes network related charges and management fees with the Ultimate Parent Company.

## 16. Contract liabilities

The contract liabilities as at 31 December 2025: KD 24,645 thousand (31 December 2024: KD 25,573 thousand) relates to unearned revenue pertaining to unutilized prepaid card units sold and advance amounts received from customers to provide telecommunications and data communication services.

Revenue recognized during the year that was included in the contract liability balance at the beginning of the year amounted to KD 25,573 thousand (31 December 2024: KD 27,059 thousand).

## 17. Lease liabilities

The movement of lease liabilities is as follows: -

	2025	2024
	KD '000	KD '000
At 1 January	20,269	13,118
Additions	19,330	17,701
Derecognition	(1,905)	(750)
Accretion of interest	807	654
Payments	(14,627)	(10,454)
<b>At 31 December</b>	<b>23,874</b>	<b>20,269</b>
<b>↓ Represented by:</b>		
Non-current portion	18,470	14,619
Current portion	5,404	5,650
	<b>23,874</b>	<b>20,269</b>

## 18. Revenue

The Group has disaggregated the revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The following table disaggregates revenue by major sources and timing of revenue recognition.

	2025	2024
	KD '000	KD '000
<b>↓ Sources of revenue</b>		
Sale of goods- recognized at point in time	111,561	96,967
Rendering of services- recognized over time	230,951	239,548
	<b>342,512</b>	<b>336,515</b>

As permitted under IFRS 15, the Group does not disclose transaction price allocated to the remaining performance obligations as it primarily provides services that correspond directly with the value transferred to the customer.

## 19. Operating expenses

	2025	2024
	KD '000	KD '000
Cost of inventory consumption	86,450	79,961
Access charges	51,530	59,325
Roaming & interconnect expenses	16,979	15,021
Repair & maintenance expenses	15,799	12,979
Others	12,241	16,634
	<b>182,999</b>	<b>183,920</b>

## 20. General and administrative expenses

	2025	2024
	KD '000	KD '000
Rent and utilities	320	650
Sales and marketing expenses	10,998	11,457
Consultancy fees	3,408	1,947
Other administrative expenses	13,990	15,038
	<b>28,716</b>	<b>29,092</b>

## 21. Finance income and others, net

	2025	2024
	KD '000	KD '000
Interest income	3,413	3,668
Foreign exchange losses	94	(193)
Early retirement plan (Note 13)	(1,400)	(1,893)
Others	974	(106)
	<b>3,081</b>	<b>1,476</b>

## 22. Taxation

The State of Kuwait issued Law No. 157 of 2024 on 31 December 2024 (the Law) introducing domestic minimum top-up tax (DMTT) effective from the year 2025 on entities which are part of multinational entities group (MNE Group) with annual revenues of EUR 750 million or more. The Law provides that a top-up tax shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax rate of all constituent entities

of the MNE Group operating within Kuwait. The taxable income and effective tax rate are computed in accordance with the executive regulations issued through Ministerial Resolution No. 55 of 2025. The Law effectively replaces the existing National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law.

Kuwait Foundation for Advancement of Sciences ("KFAS")

The contribution to KFAS is calculated at 1% of the profit for the year attributable to the Parent Company in accordance with the modified calculation based on the Foundation's Board of Directors' resolution, which states that income from associates and subsidiaries, Directors' remuneration, transfer to statutory reserve

until the reserve reaches 50% of share capital should be excluded from the profit base when determining the contribution. The contribution to KFAS is payable in full before the AGM is held in accordance with the Ministerial Resolution (184/2022). As at 31 December 2025, the Group has KFAS payables of KD 392 thousand (31 December 2024: KD 334 thousand). During the year, the Group have paid KFAS of KD 334 thousand (2024: KD 346 thousand).

	2025	2024
	KD '000	KD '000
Taxation	4,414	-
KFAS	392	334
NLST	-	996
Zakat	-	390
	<b>4,806</b>	<b>1,720</b>

## 23. Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
Net profit for the year (KD'000)	34,099	31,380
Weighted average number of shares	998,733,704	998,733,704
Basic and diluted earnings per share (fils)	34	31

## 24. Investment in an associate

Details of associate are as follows:

Name of associate	Country of incorporation	% equity interest as at 31 December		Principal activities
		2025	2024	
Connect Arabia W.L.L.	Kuwait	10%	10%	Provision of prepaid telecommunication services

Connect Arabia W.L.L. ("Virgin Mobile Kuwait" or "VMK") was established in 2021 as a mobile virtual network operator. As at 31 December 2025, the carrying value of investment is Nil (31 December 2024: Nil)

## 25. Related party balances and transactions

Parties are considered to be related if one party, directly or indirectly through one or more intermediaries, has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related parties primarily comprise of major shareholders of the Parent Company and the Ultimate Parent Company, its directors, key management personnel and entities over which they exercise significant influence.

In addition to the above, the Parent Company also has entered in certain other transactions in the normal course of business with Ultimate Parent Company, associate and affiliates.

Significant transactions with related parties included in the consolidated statement of profit or loss are as follows:

	2025	2024
	KD '000	KD '000
Management fees	11,164	12,400
Revenues - Ultimate Parent Company	3,065	8,967
Revenues – associate	3,423	2,661
Revenues – affiliate	3,415	1,297
Operating expenses – Ultimate Parent Company	631	639
Operating expenses – affiliate	32,145	24,848

Management fees represents fees charged by the Ultimate Parent Company which is based on certain percentage of revenues and is included under general and administrative expenses.

Balances due from related parties amounting to KD 4,614 thousand as at 31 December 2025 (31 December 2024: 4,172 thousand) (note 7) are included in trade and other receivables in the consolidated statement of financial position. Balance with related parties do not carry any profit and are receivables on demand.

Balances due to related parties amounting to KD 42,853 thousand as at 31 December 2025 (31 December 2024: KD 51,862 thousand) (note 15) are included in trade

and other payables in the consolidated statement of financial position. Balance with related parties do not carry any profit and are repayable on demand.

### Key management compensation

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel compensation is as follows:

	2025	2024
	KD '000	KD '000
Salaries, allowances and other benefits	3,506	3,300
Share-based payment transaction	65	51
End of service benefits	96	89
	3,667	3,440

Board of Directors' remuneration for the financial year 2025 is subject to approval of shareholders in the Annual General Assembly. The AGM

of the shareholders held on 18 March 2025 approved the Board of Directors' remuneration for the financial year 2024.

## 26. Commitments and contingencies

	2025	2024
	KD '000	KD '000
↓ Commitments		
Capital commitments	25,627	21,173
↓ Contingent liabilities		
Letters of guarantee and letters of credit <sup>1</sup>	21,087	26,505

<sup>1</sup> The Group has contingent liabilities in respect of bank guarantee and letters of credit arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

## Legal claims

In April 2017, Kuwait's Cassation Court invalidated a portion of the regulatory tariff decree levied on mobile telecommunication companies in Kuwait since 26 July 2011 by Kuwait's Ministry of Communications. Accordingly, the Parent Company had filed a claim for the recovery of the excess amount paid from change in regulation date till date.

The Parent Company initiated legal proceedings against the Ministry of Communications ("MOC") and the Communications and Information Technology Regulatory Authority ("CITRA") in connection with the aforementioned matter. The dispute was resolved upon the issuance of a final judgment by the Court of Cassation in favor of the Parent Company, ordering the authorities to pay a sum of KD 18,462 thousand, which was received by the Parent Company in previous years.

On 22 December 2024, the Ministry of Communications ("MOC") and the Communications and Information Technology Regulatory Authority ("CITRA") (collectively, the "Plaintiff") filed a lawsuit before the First Court of Instance against the Parent Company ("Defendant"), seeking the reimbursement of the amounts previously adjudicated in the aforementioned case, asserting a claim for unjust enrichment where the plaintiff overpaid the claim amount.

On 24 March 2025, the Court of First Instance issued a favorable judgment in our favor. The plaintiff appealed this judgment before the Court of Appeal, however on 13 August 2025, the Court of Appeal ruled to reject the appeal and uphold the judgment of the Court of First Instance.

On 11 November 2025, the plaintiff filed an appeal against the judgment before the Court of Cassation, and as of this date, no hearing has been scheduled to consider the appeal.

## 27. Financial instruments and risk management

The Group has an exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital are given below.

### Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk

management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from the customers, balances with banks and Islamic deposits.

## Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025	2024
	KD '000	KD '000
Trade and other receivables	46,519	46,782
Contract assets	88,239	74,272
Cash at banks	7,949	15,387
Islamic deposits	82,387	90,390
	<b>225,094</b>	<b>226,831</b>

### Trade and other receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

The Group has established a credit policy under which each new customer is analyzed for creditworthiness before the Group's standard terms and conditions are offered. Credit exposure is controlled by counterparty limits that are annually reviewed and approved by the management. The Group does not have an internal credit rating of counter parties and considers all counter parties with which the Group deals to be having an equivalent credit rating. The Group does not have any significant credit risk

exposure to any single counterparty or any group of counterparties having similar characteristics. The Group does not require collateral in respect of trade and other receivables.

The Group establishes a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by nationality, geographical region and customer type). The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

The table below provides information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

	Trade receivables						
	Days past due						Total
	Contract assets	Current	1-30 days	31-60 days	61-90 days	>91 days	
	KD '000	KD '000	KD '000	KD '000	KD '000	KD '000	
<b>31 December 2025</b>							
Estimated total gross carrying amount at default	91,379	22,796	6,104	2,569	1,922	33,333	158,103
Estimated credit loss							29,179
Expected credit loss rate							18%
<b>31 December 2024</b>							
Estimated total gross carrying amount at default	77,218	24,830	4,662	2,410	1,801	31,845	142,766
Estimated credit loss							26,925
Expected credit loss rate							19%

## Cash, bank balances and deposits

The Group limits its exposure to credit risk by only placing funds with counterparties with appropriate credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations. All balance are classified as Stage 1.

## Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities:

	Contractual undiscounted cash flows				
	Carrying amount	1 year or less	1-2 Years	More than 2 years	Total
	KD '000	KD '000	KD '000	KD '000	KD '000
<b>31 December 2025</b>					
Islamic financing facilities	11,500	5,997	6,255	-	12,252
Lease liabilities	23,874	6,652	5,533	17,628	29,813
Trade and other payables	166,261	164,939	1,322	-	166,261
	<b>201,635</b>	<b>177,588</b>	<b>13,110</b>	<b>17,628</b>	<b>208,326</b>
<b>31 December 2024</b>					
Islamic financing facilities	17,250	6,012	6,285	6,571	18,868
Lease liabilities	20,269	5,986	4,672	13,620	24,278
Trade and other payables	145,743	143,466	2,277	-	145,743
	<b>183,262</b>	<b>155,464</b>	<b>13,234</b>	<b>20,191</b>	<b>188,889</b>

The following table presents the recognized financial assets and liabilities that are offset as at the year end:

	Gross amounts	Amounts set off	Net Amounts
	KD'000	KD'000	KD'000
<b>31 December 2025</b>			
<b>↓ Financial assets</b>			
Trade and other receivables -Current	60,992	(14,753)	46,239
<b>↓ Financial liabilities</b>			
Trade and other payables -Current	179,692	(14,753)	164,939

	Gross amounts	Amounts set off	Net Amounts
	KD'000	KD'000	KD'000
<b>31 December 2024</b>			
↓ Financial assets			
Trade and other receivables -Current	70,815	(24,648)	46,167
↓ Financial liabilities			
Trade and other payables -Current	168,114	(24,648)	143,466

## Changes in liabilities arising from financial activities

Changes in liabilities arising from financial activities are as follows:-

	1 January	Cashflows	Non-monetary changes	31 December
	KD'000	KD'000	KD'000	KD'000
<b>31 December 2025</b>				
Islamic financing facilities-current	5,750	(5,750)	5,750	5,750
Islamic financing facilities- non-current	11,500	-	(5,750)	5,750
Lease liabilities – current	5,650	(14,627)	14,381	5,404
Lease liabilities – non-current	14,619	-	3,851	18,470
	<b>37,519</b>	<b>(20,377)</b>	<b>18,232</b>	<b>35,374</b>
<b>31 December 2024</b>				
Islamic financing facilities-current	5,750	(5,750)	5,750	5,750
Islamic financing facilities- non-current	17,250	-	(5,750)	11,500
Lease liabilities – current	4,429	(10,454)	11,675	5,650
Lease liabilities – non-current	8,689	-	5,930	14,619
	<b>36,118</b>	<b>(16,204)</b>	<b>17,605</b>	<b>37,519</b>

<sup>1</sup> Mainly includes reclassification from non-current to current

## Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, profit rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group's exposure to market risk arises from:

- Currency risk
- Profit rate risk

## Currency risk

Currency risk is a risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to currency risks on trade and other payables, Islamic financing facilities and Islamic deposits that are denominated in a currency other than the KD, which is the functional currency of the Group. The currencies in which these transactions are primarily denominated in US Dollars ("US\$"). The Group's currency risk is managed by monitoring significant foreign currency exposures on a regular basis.

## Exposure to currency risk

The Group's net exposure to foreign currency risk is as follows:

	2025	2024
	KD '000	KD '000
US Dollars (short)	<b>33,121</b>	45,121

The following significant exchange rates applied during the year:

	2025		2024	
	Average rate	Reporting date Spot rate	Average rate	Reporting date Spot rate
US\$	<b>0.30433</b>	<b>0.30540</b>	0.30568	0.30810

## Sensitivity analysis

A strengthening (weakening) of the KD, as indicated below, against US\$ at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) the equity and profit or loss

by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant.

	2025	2024
	KD '000	KD '000
3% movement	<b>994</b>	1,354

## Profit rate risk

Profit rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

Financial instruments, which potentially subject the Group to profit rate risk, consist principally of cash, bank balances and deposits and Islamic financing facilities.

The Group's Islamic deposits are for a short-term period and are set at fixed rates and therefore management believes there is minimal risk of significant losses due to profit rate fluctuations.

The Group's Islamic financing facilities are obtained at a floating rate. The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant.

	Change in interest rates by 50 basis points	
	Effect on profit	
	2025	2024
	KD '000	KD '000
Kuwaiti Dinars	58	86

## 28. Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash, bank balances and deposits, trade and other receivables and contract assets. Financial liabilities consist of trade and other payables and Islamic financing facilities.

The fair values of the financial assets and liabilities are not significantly different from their carrying value as at the reporting date. For financial assets and financial liabilities that are liquid or having short-term maturity (less than twelve months) it is assumed that the carrying amounts approximate to their fair valuation as these are re-priced immediately upon maturity.

## 29. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the Group performance in relation to its long range business plan and its long-term profitability objectives.

The Group's objectives for managing capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity. As at 31 December 2025 and 2024, the Group is ungeared.

The borrowings of the Group were less than cash and bank balances.

## 30. Operating segments

Information regarding the Group's operating segments is set out below in accordance with the IFRS 8 "Operating Segments" which requires the identification of operating segments based on the internal reports that are regularly reviewed by the Group's Chief Executive Officer ("CEO") and used to allocate the resources to the segments and to evaluate their performance. The Group has identified Consumer (i.e., Individual customers) and Enterprise (i.e., Corporates & others) as major operating segments.

The Group's total costs, assets and liabilities have not been identified to any of the operating segments as the majority of the total costs, operating assets and liabilities are fully integrated between consumer and enterprise & others segments. The Group believes that it is not practicable to segregate and provide segment allocation related to total costs, operating assets and liabilities.

The Group only operates in State of Kuwait and is therefore viewed to operate in one geographical area. The operating segments that are regularly reported to CEO are Consumer segment and Enterprise & others.

	2025	2024
	KD '000	KD '000
Consumer revenues- Point in time	95,317	84,547
Consumer revenues- Over time	171,105	170,260
Enterprise & others revenues- Point in time	16,244	12,420
Enterprise & others revenues- Over time	59,846	69,288
<b>Total revenues</b>	<b>342,512</b>	<b>336,515</b>
Operating expenses	(182,999)	(183,920)
Staff costs	(26,596)	(25,609)
Expected credit losses on trade and other receivables and contract assets	(11,281)	(12,866)
Depreciation and amortization and write offs	(54,564)	(50,574)
General and administrative expenses	(28,716)	(29,092)
Finance costs	(2,223)	(2,574)
Finance income and others, net	3,081	1,476
Board of Directors' remuneration	(309)	(256)
<b>Profit before tax</b>	<b>38,905</b>	<b>33,100</b>

## 31. Comparative figures

Certain figures have been reclassified as listed below to confirm with the classification used for the year ended 31 December 2025. These reclassifications listed below have no impact on previously reported net income, cash flows, retained earnings or net assets.

The below reclassifications have been made to improve the quality of information presented and to align with current year presentation.

	As previously reported	Amounts of reclassification	Amounts after reclassification
	KD'000	KD'000	KD'000
<b>31 December 2024</b>			
↓ Consolidated statement of financial position			
<b>Non - current assets</b>			
Property and equipment	166,309	(19,934)	146,375
Right of use assets	-	19,934	19,934
	<b>166,309</b>	<b>-</b>	<b>166,309</b>
<b>Current assets</b>			
Inventories	14,743	(1,923)	12,820
Prepayment and other current assets	10,486	4,095	14,581
Trade and other receivables	54,129	(7,962)	46,167
Contract assets	48,255	5,790	54,045
	<b>127,613</b>	<b>-</b>	<b>127,613</b>
<b>Non-current liabilities</b>			
Lease liabilities	-	14,619	14,619
Trade and other payables	16,896	(14,619)	2,277
	<b>16,896</b>	<b>-</b>	<b>16,896</b>
<b>Current liabilities</b>			
Lease liabilities	-	5,650	5,650
Contract liabilities	-	25,573	25,573
Trade and other payables	174,689	(31,223)	143,466
	<b>174,689</b>	<b>-</b>	<b>174,689</b>

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