Investor Presentation Q1 2019

Disclaimer

This document has been prepared by Mobily (the "**Company**") solely for presentation purposes. The information contained in this document has not been independently verified and no representation or warranty, expressed or implied, is made as to, and no reliance should be placed on the fairness, the accuracy, the completeness or the correctness of the information contained herein. None of the Company or any of its respective affiliates, advisors or representatives shall have any liability whatsoever for any direct or indirect loss whatsoever arising from any use of this document, or contents, or otherwise arising in connection with it.

This document does not constitute an offer or invitation to purchase any share or other security in the Company and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. Before making any investment decision, an investor should consider whether such an investment is suitable for his particular purposes and should seek the relevant appropriate professional advice.

Any decision to purchase shares or other securities in the Company is the sole responsibility of the investors.

Certain information contained in this document consists of forward-looking statements reflecting the current view of the Company with respect to future events. They are subject to certain risks, uncertainties and based on certain assumptions. Many factors could make the expected results, performance or achievements be expressed or implied by such forward-looking statements (including, but not limited to, worldwide economic trends, economic and political climate of Saudi Arabia, the Middle East and changes in business strategy and various other factors) to be materially different from the actual historical results, performance achieved by the company. Should one or more of the risks or uncertainties materialize or should the underlying assumptions prove different stock movements or performance achievements may vary materially from those described in such forward-looking statements. Recipients of this document are cautioned not to place any reliance on these forward-looking statements. The Company undertakes no obligation to republish revised forward-looking statements to reflect changed events or circumstances.

Content

Regulatory and Telecom Environment I General Overview

Mobily

Regulatory and Telecom Environment

- Total mobile subscriptions in the Saudi Arabia reached 41.3 mn, with a voice penetration rate of 126.9%*
- IFRS 16 implementation starts from 1st of Jan 2019
- Spectrum auction of the 2.6 GHz and 3.5 GHz bands: Mobily was awarded 100Mhz in each of the two bands
- CITC/MOI granted preliminary approval for launching of e-SIMs on March 6th 2019
- Regulatory decision limit the sale of business services through operators' flagship stores only
- Announcement of a new CEO for Mobily

* Q4-2018 CITC report

Major Highlights I Major Figures

Performance Highlights

- Continuation of the delivery of the RISE strategy: RISE turnaround strategy is yielding steady strong results.
- Consistent strong performance:
    - 6th consecutive QoQ quarterly revenue growth
    - 4th consecutive YoY quarterly revenue growth
- Topline marked steady growth due to:
    - Continued growth of subscribers base and improvement of subscribers mix
    - Growth in wireless, FTTH and wholesale revenues
    - Expansion of projects conducted and executed for the government sector
- For the second consecutive quarter Mobily sustains positive bottom-line

Strategy | 2019: Excel in Customer Experience

موبايلي Mobily

2017-H1 2018

Back on track

Strengthen the foundations

- "Stop the leak"
- Positioning/ brand, value propositions, sales & distribution, wholesale, call center
- IT Transformation, enhance enablers (procurement)
- Network modernization & new spectrum
- Operating model/ culture

H2 2018- H1 2019

'Wow'ing customers

Excel in customer experience

- CX-centric processes
- Journey/ experience
- Digital enablers
- Enhanced IT
- BI / analytics

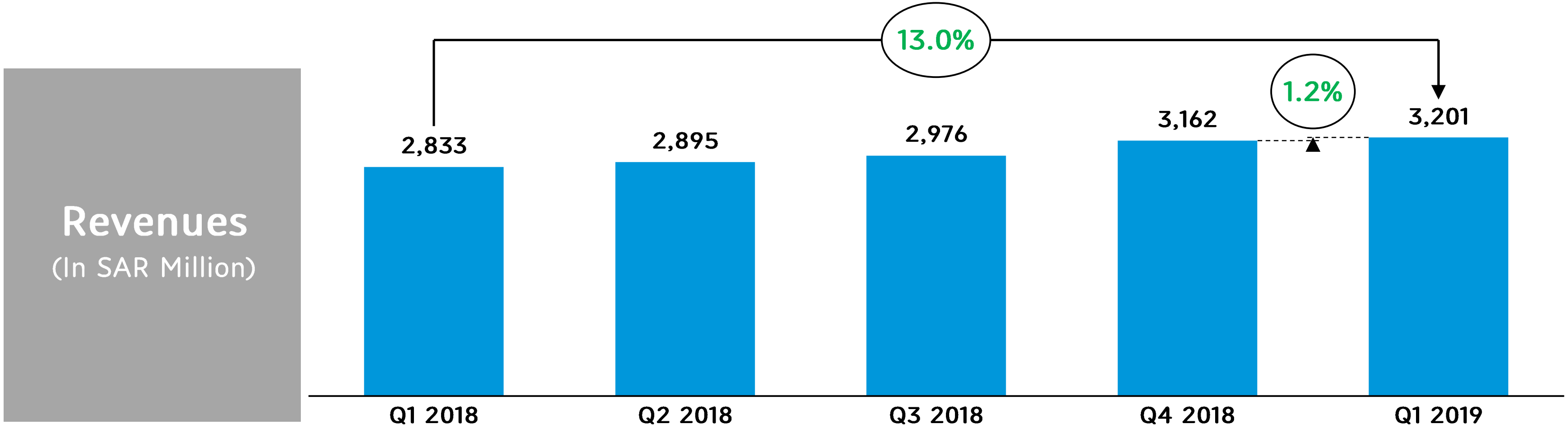
2019+

World-class performance

"To be one of the **most admired Saudi** companies, creating **superior value** for our stakeholders"

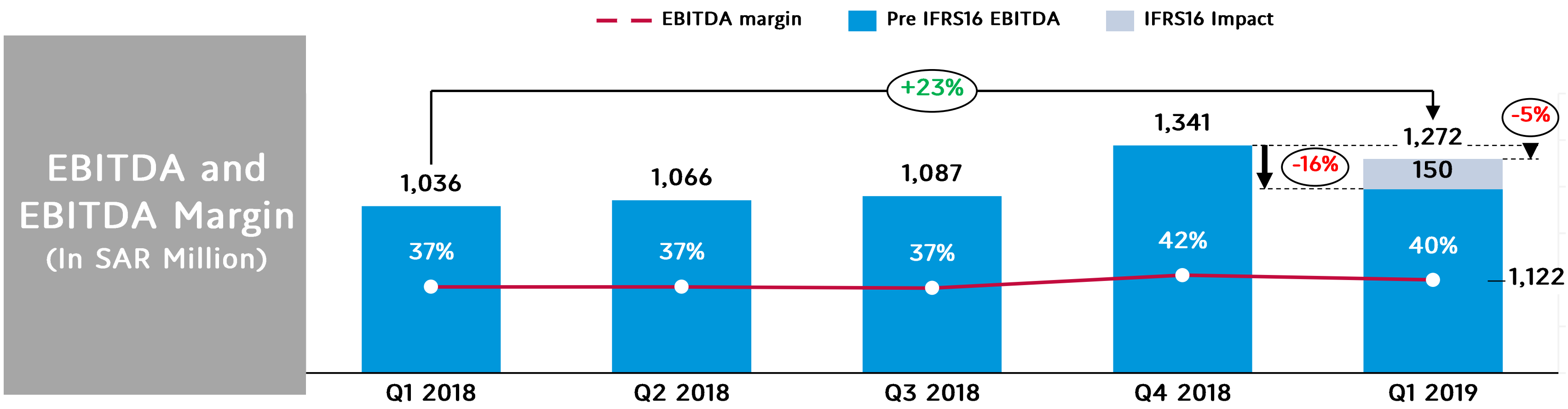
- "Lead the market" (new products and services, first)
- Strong share in higher-end segments
- Digital-first
- Future proof network
- Top employer in KSA
- Lean assets, fully monetized

Key Financial Highlights I Regular Growth of the Topline



- Mobily continued to grow its quarterly revenues in Q1 2019 QoQ (1.2%) and YoY (13%)
- Revenue growth is driven by the following:
  - Continued growth in subscribers base and improvement of subscribers mix
  - Continued growth in data revenues
  - Continued growth in wholesale revenues
  - Continued growth in business unit revenues

Key Financial Highlights I Regular Growth of the EBITDA

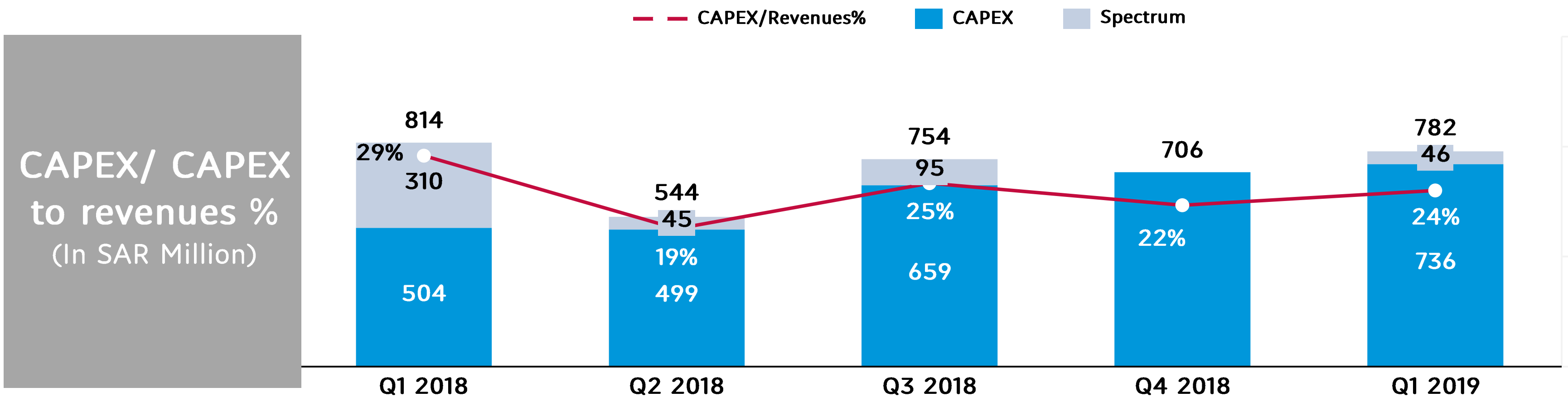


Q1 2019 EBITDA increased by 23% YoY to 1,272 MSAR and decreased by 5% QoQ.
The YoY growth of the EBITDA is mainly due to the followings:

- Topline performance improvement
- The impact of implementing IFRS16
- Continuous efficiency in managing the operational expenses

Pre-IFRS 16, the EBITDA would have grown 8.3% year-over-year
The QoQ erosion of EBITDA is mainly due to the positive one-offs related to the reversal of provisions in Q4-18. Without these one-offs, the EBITDA would have grown quarter-over-quarter

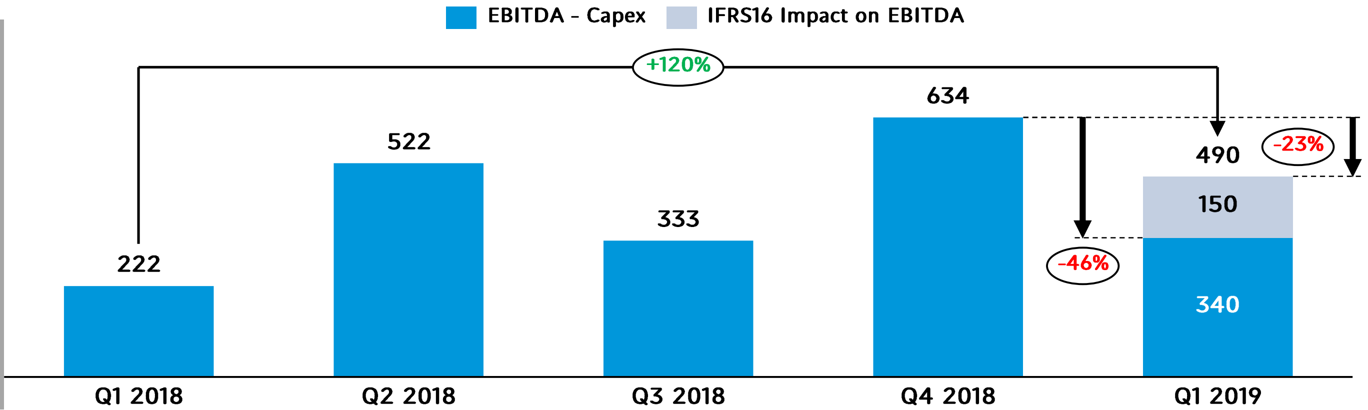
Key Financial Highlights I Continuation of the deployment of the network modernization and additional spectrum



- Mobily secured 100 MHz of additional spectrum in the 3.5 GHz bands and 100MHz in the 2.6 GHz bands
- Capex intensity (Capex to revenues) at 23% excluding spectrum and 24% including spectrum reflects the company commitment to develop its infrastructure and improve the quality of service
- Mobily continues the deployment of its modernization program to cope with the growth in data traffic and improve its customer experience

Key Financial Highlights I Continuous focus on cash flow generation

Operational Cash Flow (EBITDA – CAPEX)
(In SAR Million)

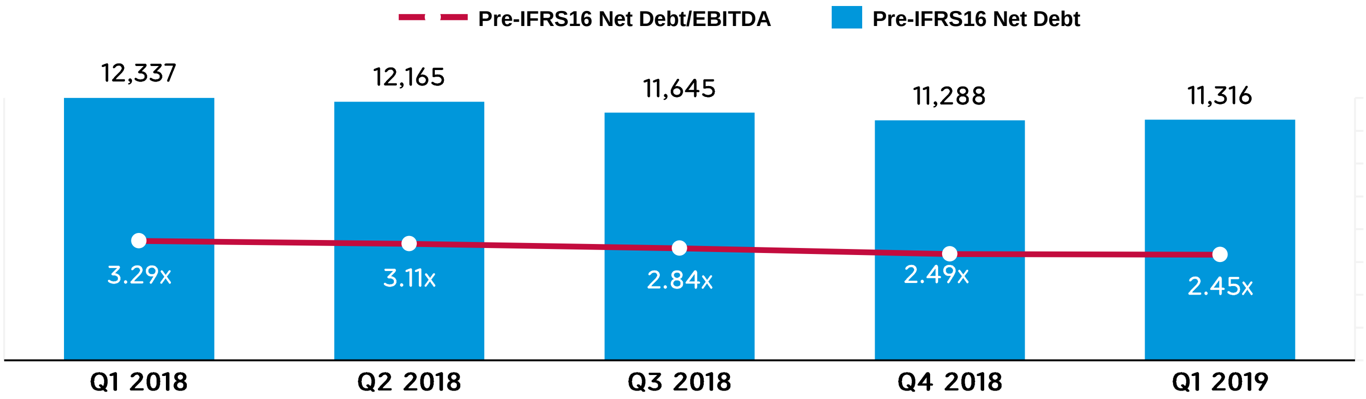


- Q1 2019 Operational Cash Flow (EBITDA-CAPEX) increased to SAR 490M million versus SAR 222 million for the same period in 2018 due to the following:
  - The topline growth and continued efficiency in operational cost management, in addition to
  - Implementation of IFRS 16 in Q1 2019 which improved EBITDA by SAR 150 million
  - Spectrum Capex in Q1 2018
- Excluding IFRS 16 impact, operational cash flow improved by SAR 118 million, or 53%
- The QoQ erosion of EBITDA (related to the reversal of provisions in Q4-18) and capitalization of spectrum in Q1-19 have reflected in lower operational cash flow QoQ basis by SAR 114 million, or 23%

*Operational cash flow excluding capitalization of spectrum fee.

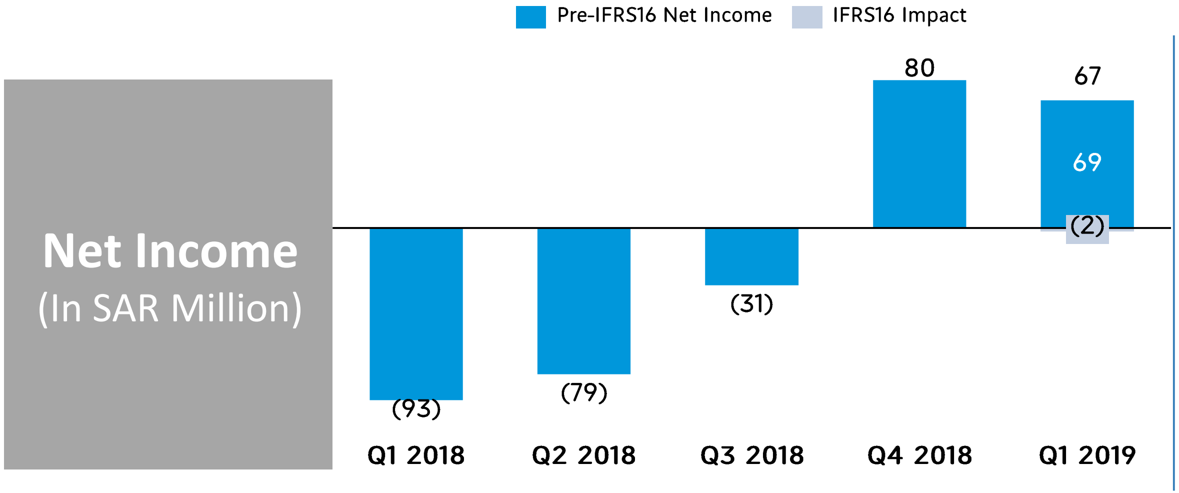
Key Financial Highlights I Stability Of The Debt and Improvement Of Leverage Ratio

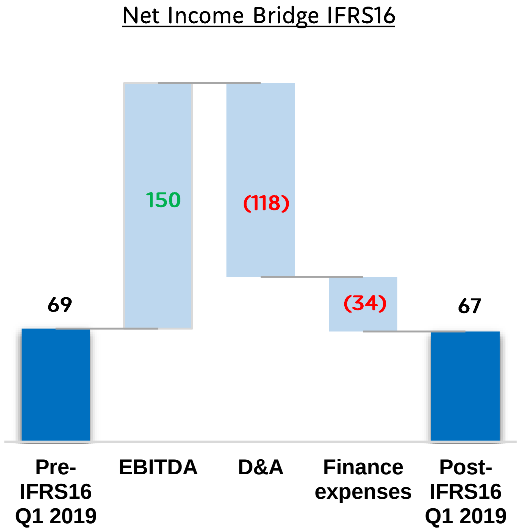
Net Debt and (In SAR Million) Net Debt /EBITDA



- Healthy Net debt to EBITDA ratio at 2.45x
- During the last 12 months Mobily has reduced its net debt by SAR 1.0 billion
- Pre-IFRS16 financial expenses amounted to SAR 178 million a decrease of 5% compared to Q1 2018
- Post IFRS16 financial expenses amounted to SAR 212 million an increase of 12.9% compared to Q1 2018

Key Financial Highlights I Sustained Profitability





- YoY Q1 2019 Net result increased by 160M due to the following:
  - A strong and healthy EBITDA
  - Lower depreciation driven by network modernization
  - Lower financing cost as a result of the company's previous deleveraging efforts

Q&A

Appendix

IFRS 16 “Leases” Summary

- IFRS 16 (“the Standard”) is applicable from 01 January 2019
- The Standard introduces single accounting model for all applicable leases
- The application of Standard results in :

i) Capitalization of lease payments over the lease term using discounted values at appropriate incremental borrowing rate. This is shown as “Right of Use” (ROU) in the Balance Sheet

ii) Lease liability recognition

iii) ROU is depreciated over the lease term

iv) Lease liability is reduced over time with the effect of payments

- From accounting point of view, the application of standard results in:

i) Higher EBITDA, depreciation and finance costs

ii) Higher assets and liabilities

iii) No impact on cashflows

Etihad Etisalat Investor Relations

Email:

Investorcontact@mobily.com.sa

Website:

[Investor Relations Page]