

Investor Presentation Q2 2018

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Content

- Environment
 - Macro
 - Regulatory
 - Telecom Market
 - Q2 Performance Highlights
- Financial Overview

Key Highlights Q2 2018

Challenging Environment

Macro

- GDP increased by 1.15% y/y, supported by the increase in oil prices.
- Inclusion of TASI in MSCI emerging markets Index.
- Expats reported leaving the country in the past months, and more expats are expected to leave the country in September (beginning of school year).
- SIBOR Increased QoQ (from 2.27% to 2.57%).

Regulatory

- Enforcement new CITC site sharing regulation to govern and encourage site sharing.
- Partial activation of new spectrum in 1800 MHz band.

Key Highlights Q2 2018

Challenging Environment

Telecom Market

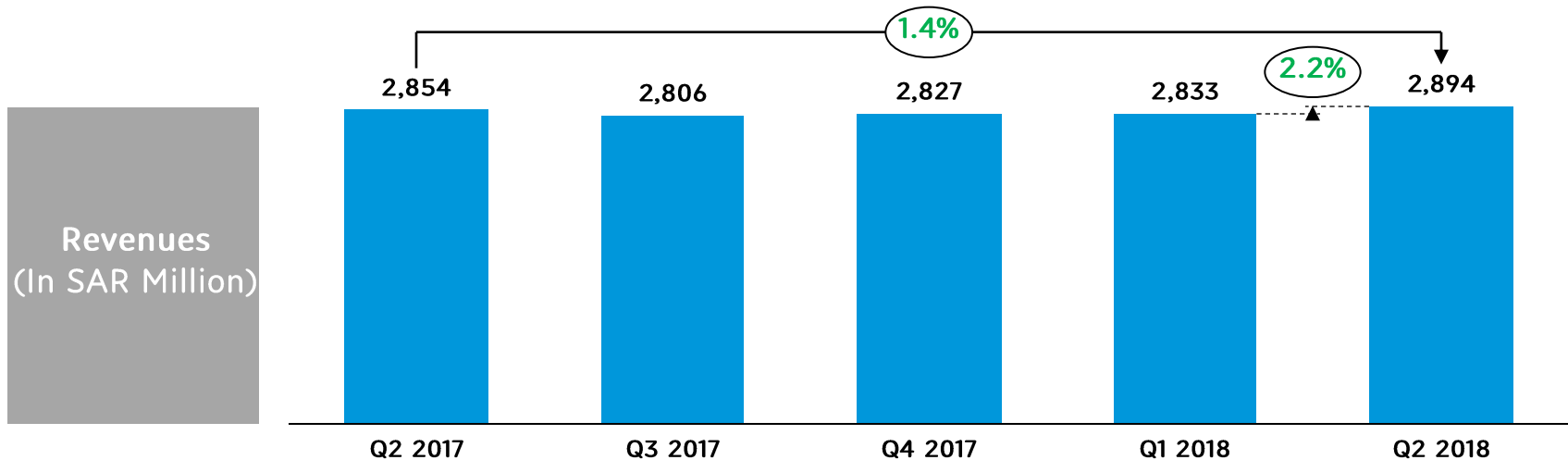
- Mobily led prices rationalization since the end of Q1 2018.
- Introduction of prepaid and postpaid new offers.
- Testing 5G technology by all operators.
- Government expediting their efforts to improve digital infrastructure for the country.

Q2 Performance Highlights

- For the first time in the last five years Mobily succeeded in growing YoY quarterly revenues.
- Reduced the quarterly losses YoY by 59%. The second quarter in a row.
- Revamping prepaid and postpaid bundles.
- Active engagement in the enterprise business projects in the private and public sectors.
- Continuation of executing RISE strategy initiatives.
- Progress of Network modernization and IT transformation.

Revenues

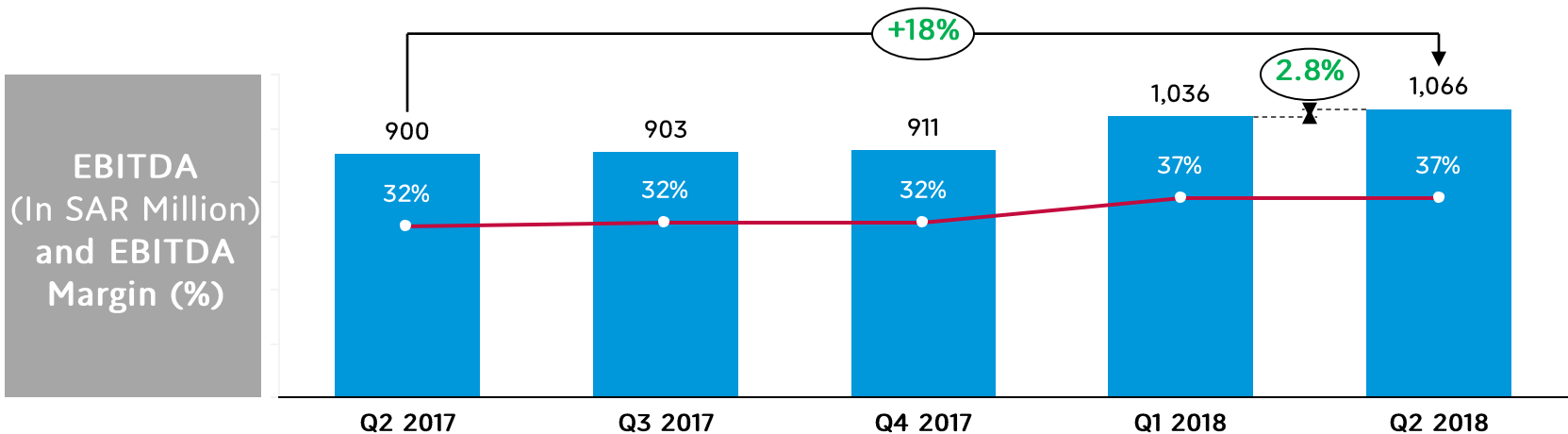
Quarterly revenues growth (YoY) for the first time in the last five years



- Revenue growth both YoY and QoQ by 1.4% and 2.2% respectfully.
- The YoY growth is achieved despite the reduction of the mobile termination rates and the challenging environment.
- Its is driven by a solid base and a better mix of subscribers, and an increased demand on the company products.
- Without the reduction of the Mobile interconnection rates, YoY revenues would have grown by 3.4%.

EBITDA and EBITDA Margin

Continuation of the Improvement of Margins

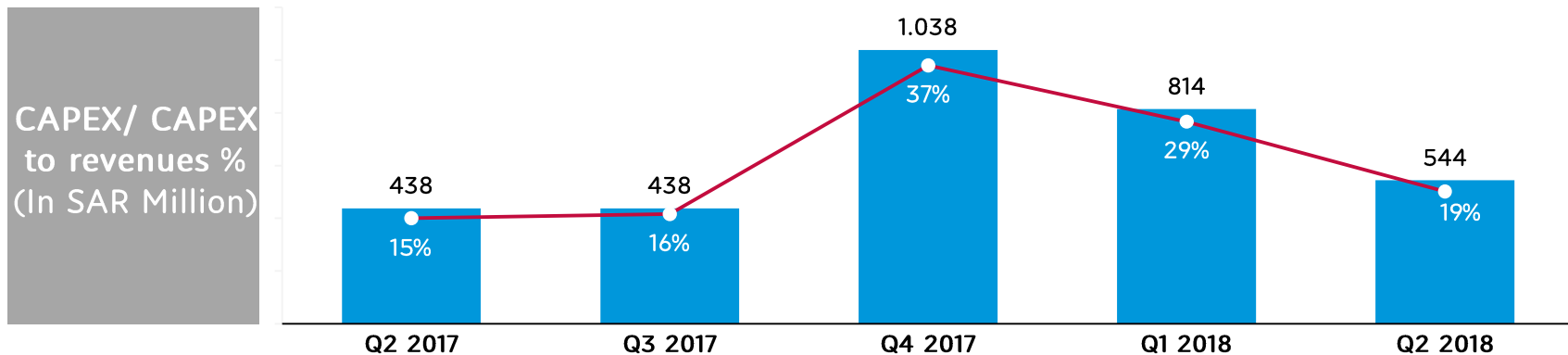


Q2 2018 shows an increase in both EBITDA and EBITDA margin compared to Q2 2017 and Q1 2018 due to:

- Resilient topline performance.
- Better revenue mix.
- Deployment of OPEX efficiency program.
- Mobile termination rates cuts.

CAPEX/CAPEX to Revenues

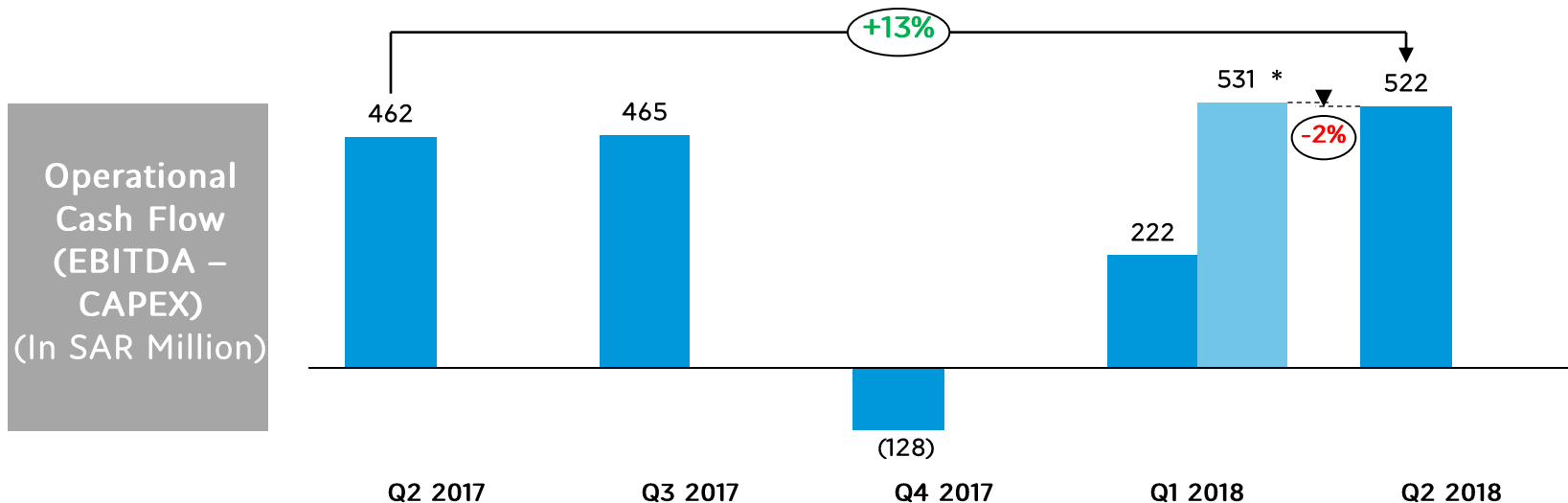
Continuation of the deployment of the network modernization



- Increase of CAPEX in Q2 2018 compared to Q2 2017 as a result of the continuous development of network modernization project which started in Q3 2017.
- Q2 2018 CAPEX comparable to the one of Q1 2018 if we exclude the capitalization of spectrum that took place in Q1 2018 (approx. SAR 309M)

Operational Cash Flow

Continuous focus on cash flow generation

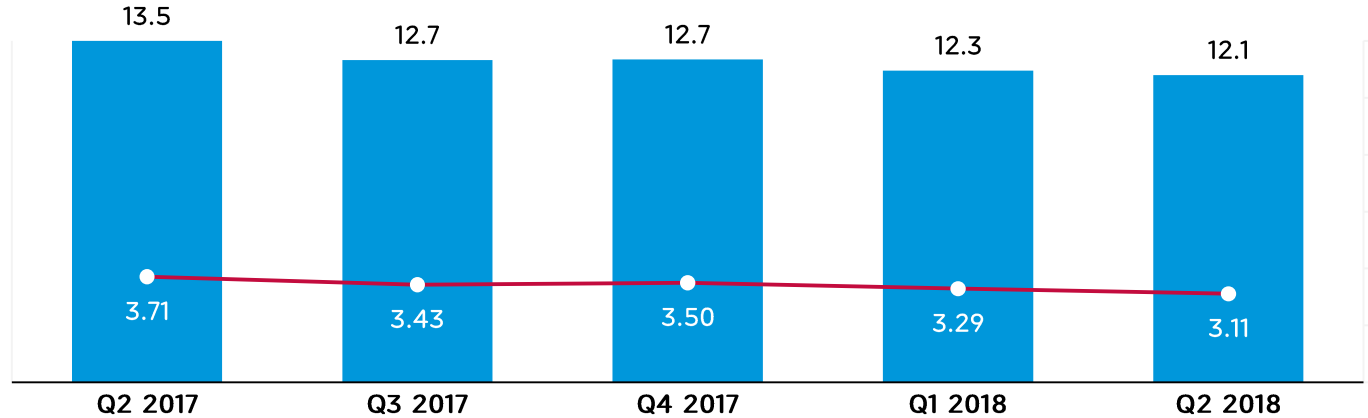


- The company maintained a healthy level of operational cash flow generation, which grew 13% YoY, and is comparable to the one of Q1 2018 (If we exclude spectrum capitalization in Q1 2018)
- This reflects our continuous focus on value creation and deleveraging.

Net Debt /Net Debt to EBITDA

Continuation of Deleveraging

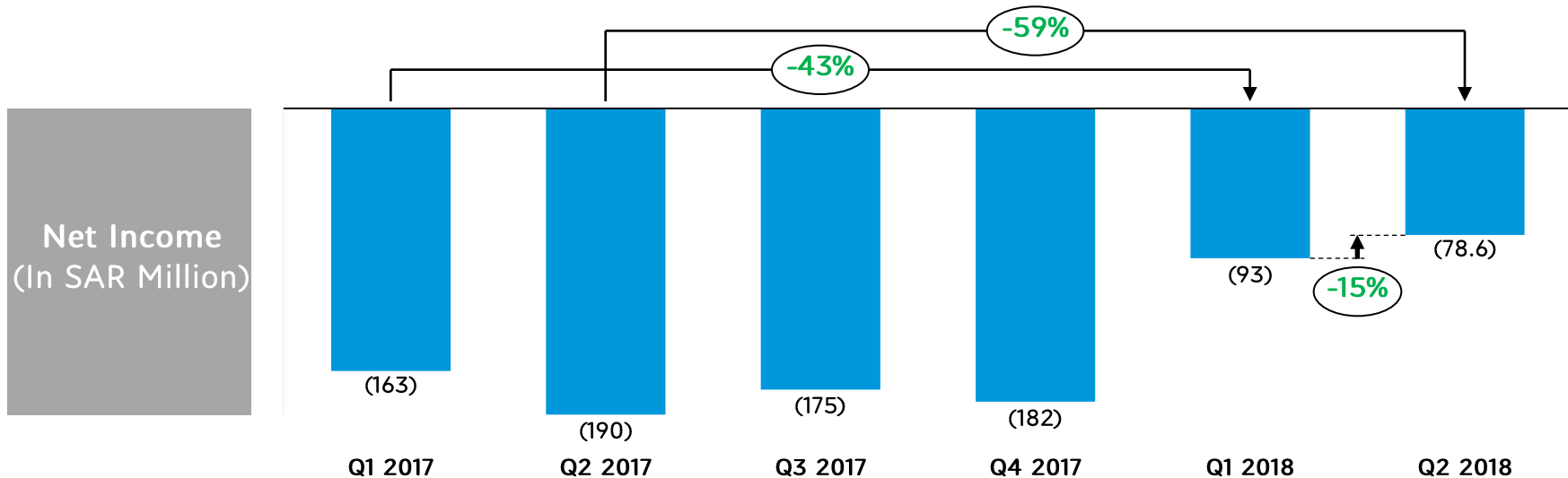
Net Debt and
(In SAR Million)
Net Debt
/EBITDA



- Deleveraging of a total 536 MSAR in H1 2018, reflecting the deleveraging strategy of the company.
- Reduction of the net Debt to EBITDA ratio to reach 3.11x at the end of Q2 2018.

Net Income

Continuing loss reduction YoY & QoQ



Despite the negative impact from depreciation and amortization, Mobily reduced its losses for the second consecutive quarter. Q2 2018 net result show net losses of SAR 78.6 million compared to SAR 189.6 million in Q2 2017 a decline of 59% due to:

- Strong revenue progression driven by a solid and improved base.
- Improved revenue mix.
- Improved gross margin and OPEX optimization.

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