

CEO's MESSAGE

A year of exceptional performance and results



98.69%

Increase in mobile internet average download speed

5G



48.03%

Increase in 5G average download speed

While the green shoots of recovery were seen across the economy in 2021, it was a year of significant challenges for the Kingdom and its people. Despite the lingering effects of the pandemic and the sluggish return to pre-COVID activities, Mobily recorded an outstanding year of performance, rewarding the trust placed in us by our customers, Shareholders and employees by delivering sustainable growth and outpacing the competition.



Mobily's performance continues to grow from strength to strength. We increased our market share in 2021, and achieved our highest annual revenues and profits in the last 8 years.

We remained true to our dynamic GAIN strategy throughout the year, securing significant progress toward our goal of establishing Mobily as the digital telecommunications provider of choice for the people of Saudi Arabia by delivering excellence across all aspects of our business, adding value for our customers and securing increased returns for our Stakeholders.

This allowed us to increase our market share, grow our income and revenue, and cement the value of our brand despite the ongoing economic disruption.

Delivering GAIN

Despite the challenges remaining in the wake of the pandemic, Mobily delivered excellent progress in implementing our GAIN strategy, which aims to Grow core revenues; Accelerate digital revenue streams; Implement and optimize efficient delivery of services; and Nurture a positive experience for all.

A major aspect of the strategy is our continuing digitization journey, including our extensive 5G activities. The 5G program gained pace in 2021, with the extension of our network to serve 52 cities through 4,120 5G sites across the Kingdom, bringing our 5G coverage to 75% in 6 main cities.

As well as providing exceptional consumer network access, our investments in 5G are positioning Mobily at the forefront of change, and as a torch bearer for the technology in Saudi Arabia as businesses begin to leverage 5G capabilities to drive their development going forward.

Mobily's Fiber-to-the-Home (FTTH) services also saw encouraging growth throughout 2021, as demand remained high for premium home services. We also accelerated the rollout of open access FTTH utilization.

Strong performance amid a slow recovery

Mobily's performance continues to grow from strength to strength. We increased our market share in 2021 and achieved the highest annual revenues in the last 8 years, with an overall revenue growth of 5.6% to reach SAR 14.83 billion.

Mobily recorded a net profit of SAR 1.07 billion in 2021, representing a rise of 36.8% over that achieved in 2020, whilst our EBITDA increased to reach SAR 5.59 billion – the highest ever annual EBITDA in the last 8 years.

Our Business Unit has consistently generated double digit growth in revenues, collections and gross margins; secured steady improvements in customer satisfaction in terms of performance and preferences; and grown our subscriptions across all product categories.

Our growing customer base and client retention strategies saw internet data consumption increase throughout the year, supported by a rise in Mobily's mobile internet average download speed by 98.69% to reach 155.18 Mbps, and an increase in our fixed internet average download speed of 16.94% to reach 89.17 Mbps. In addition, our mobile 5G average download speed rose 48.03% to reach 326.94 Mbps.

We continued to focus on our key value segments, advancing sales of higher post-paid packages and promoting the uptake of pre-paid bundles.

Award-winning services

Our achievements in 2021 received widespread recognition, with Mobily being named the Top-Rated Mobile Network in Saudi Arabia by the Ookla Speedtest Awards.

Our commitment to customer experience excellence was recognized by receiving the 'Best Customer Experience Award 2021 for the Individual Sector' from the Communications and Information Technology Commission (CITC), the first company to win this award that aims to stimulate and develop the Saudi telecommunications sector, raising competitiveness, increasing transparency and improving user experience.

We received a record 9 Platinum Awards at the VIDDY awards for digital video excellence, as well as 6 Platinum and 1 Gold award at the Hermes Creative Awards.

Mobily was also awarded 16 Platinum and 1 Gold Award at the 2021 AVA Digital Awards, as well as 1 Gold, 1 Silver and 2 Bronze Awards at the Dubai Lynx International Festival of Creativity.

We also received the Best Recruitment and Talent Management Strategy Award at the CIPD Middle East People Awards for presenting a clear talent acquisition roadmap aligned with business needs, whilst our Annual Report for 2020 received awards for Best Annual Report in both the print and digital categories of the Middle East Investor Relations Association (MEIRA) Awards.

Committed to ESG

Mobily is committed to ensuring the highest global standards of environmental, social and corporate governance across our operations and footprint, supporting our country, our people, our environment and the communities we serve through a carefully formulated strategy.

This strategy focuses our sustainability efforts over the coming years to achieve rapid improvements in ESG performance whilst also supporting the Kingdom's broader sustainability commitments in line with the United Nations Sustainable Development Goals.

The objectives of the strategy range from the integration of sustainability at the corporate level, to maximizing customer care and satisfaction and supporting the Saudi Green initiative, which seeks to place the Kingdom and its people on a path to a sustainable future.

It has inspired a range of Mobily initiatives, including our agreement with Ericsson to recycle old electronic devices in ways that contribute to preserving the environment. The partnership leverages Ericsson's Product Take-Back Program – which ensures that end-of-life products are either recycled or disposed of in a responsible way – to co-manage our waste in an environmentally sustainable way.

We also continue to reduce the carbon intensity of our operations and products as a whole, using advances in ICT to create more sustainable pathways and meet the challenge of climate change, in line with the objectives of Saudi Vision 2030

Furthermore, our ESG strategy seeks to guide our community investment decisions going forward to maximize benefits in the areas of: education; technical support; personal and public health; responsible resource use and waste management; global climate change mitigation; equal opportunities for men, women and people of determination; and support for the needy in society.

We continue to develop internal metrics and targets for all Mobily departments to ensure the delivery of this strategy, whilst maintaining a high level of transparency and consultation to continuously refine our actions and outputs.

A customer centric approach

Mobily is dedicated to following customer centric approaches to the development and delivery of our services and solutions. Our customer satisfaction score (CSAT) and all other Customer Experience metrics witnessed significant improvements in 2021.

A testament to the value we place on customer satisfaction, Mobily maintained the lowest number of complaints for more than 2 years in mobile telecommunications services and fixed internet services, and the lowest number of complaints for more than 4 years in mobile internet services, among the Kingdom's 3 national operators.

We remain committed to providing exceptional service quality for our customers, and continue to facilitate improved download speeds, and deliver innovative apps and web touchpoints.

Engaged and productive talent

Given the ongoing fallout of the COVID-19 pandemic in 2021, we continued to support and safeguard our people throughout the year, reflecting the high value we place on our human resources and the broader communities we serve.

By implementing strict policies and procedures and establishing new workplace controls, we ensured a safe and healthy environment for our employees and customers, particularly as all of our people returned to in-office work in October 2021.

We also continued to actively attract, develop and empower our people in a way that strengthens our success as a company whilst also reflecting our dedication to the goals and objectives of Saudization and female empowerment in the Kingdom.

Mobily in 2022

As we look ahead to 2022, Mobily's unique digital capabilities and technologies ensure that we are well positioned to capitalize on future growth opportunities.

Mobily will continue to execute our comprehensive GAIN strategy, which has positioned us for another year of growth. We will seek to further enhance our position as an integrated digital telecommunications provider, fit to meet the diverse demands of a revitalized economy and achieve the goals and aspirations of Saudi Vision 2030.

Under GAIN, our technology focus will endure, as we rollout an extensive program of pipeline projects to improve efficiency, deliver industry-leading services and secure even greater customer satisfaction throughout 2021.

Mobily's investment in the 5G rollout and our expansion into new, complementary business areas to better serve our customers will also serve to capture more revenue, securing increased returns for our Shareholders and other Stakeholders.

Further investment in submarine cables around the world will also be forthcoming, as well as in our data centers and other leading-edge technologies.

We will also further integrate our new ESG strategy into the GAIN strategy to deliver world-class governance standards across our organization.

Acknowledgements

I wish to express my deep gratitude to our Board of Directors for their guidance in what has been another challenging year, and to our Executive Management for their leadership and foresight in navigating adverse circumstances.

I am also indebted to our employees across Mobily for their professional approach, commitment and dedication, which has allowed us to reach new heights and look to the future with considerable optimism. Their efforts represent the driving force behind our performance in 2021, and a key differentiator for our Company going forward.

Eng. Salman Abdulaziz Al Badran

Chief Executive Officer