

CFO's STATEMENT

Net profit

SAR 1.07
billion

EBITDA for
2021 rose by

4.6%

Mobily continued to achieve an outstanding financial performance in 2021, building on the strong momentum in the previous 2 years to overcome ongoing turbulence in global and local markets due to the impact of COVID-19. Delivering record and best-in-class profitability on the back of increasing revenues and strong results across the business, Mobily's GAIN corporate strategy continues to grow our market share, cash flow and distributed dividends, coupled with continued improvements in operational efficiencies to create increasing value for our Shareholders, laying the foundation for sustainable growth and success in the years ahead.

It is my pleasure to report that during 2021, the exceptional efforts and continued dedication of the entire Mobily team continued to pay dividends for Shareholders, as we achieved impressive financial results across the board while continuing to invest for the future. Mobily's strong cash flow generation enabled us to continue to invest in our growth this year, while paying attractive dividends and carrying out a deleveraging strategy.

Mobily's net profit continued its rapid rise to reach SAR 1.07 billion, the highest annual profit in the last 8 years, based on 5.6% growth in revenues and EBITDA margin stability, cost discipline and deleveraging. Through the diligent execution of our GAIN strategy, we accelerated our digitization agenda, enhanced customer experience, diversified our income streams and, overall, made significant strides towards our vision of 'Empowering the Digital Economy to Unlock Possibilities.'



Through the diligent execution of our GAIN strategy, we diversified our income streams and, overall, made significant strides towards our vision.

Highlights (SAR millions)	2021	2020	% Change
Revenues	14,834	14,046	5.6%
EBITDA	5,594	5,350	4.6%
CAPEX	2,092	2,792	(25.1%)
Operational cash flow (EBITDA – CAPEX)	3,502	2,558	36.9%
Net debt	12,128	13,109	(7.5%)
Net profit	1,072	783	36.8%

Top line results rose by 5.6% from SAR 14.05 billion in 2020 to reach SAR 14.83 billion this year. This was driven by solid performance by our Business Unit and Consumer Unit, including FTTH growth, along with healthy subscriber base growth. Our Consumer Unit and Business Unit delivered revenue growth, demonstrating their resilience and capitalizing on increased market activity, which accelerated towards year-end 2021.

EBITDA for 2021 rose by 4.6% and maintained last year's margin of 38% – the highest since 2014. This result was driven primarily by healthy top line performance and supported by continuing improvements in operational efficiency and cost optimization. This strong performance drove our net debt to EBITDA ratio to 2.17x - its lowest level since 2016 – a downward trend supported by Mobily's ongoing deleveraging strategy and 10% reduction in financing charges year-on-year to SAR 505 million.

Investment in 5G infrastructure continued in 2021 while overall CAPEX eased by 25.1% during the year to reach SAR 2,092 million compared to SAR 2,792 million in the previous year, as various capital intensive strategic initiatives were successfully completed. CAPEX intensity reflects our commitment to improve our infrastructure, and the continuous deployment of the network modernization project to improve overall quality of service for our customers, including increasing capacity (data centers, cloud, etc.) to support our strategic growth across our revenue streams (business, consumer and wholesale).

Continuing the momentum since 2019, as our GAIN Corporate Strategy continued to accelerate and create value for our business and Shareholders, this year again saw a large increase in profitability, with a 36.8% increase in full-year net profit to reach SAR 1.07 billion, compared to last year's net profit of SAR 783 million. In addition to a gross profit of SAR 8.67 billion compared to SAR 8.15 billion in the previous year, this outstanding achievement, which represents the highest net profit since 2014, is equivalent to earnings per share of SAR 1.39 versus SAR 1.02 in 2020.

Our cash position has also witnessed significant improvement during 2021, with operational cash flow (EBITDA-CAPEX) rising 36.9% year-on-year to reach SAR 3.50 billion for the year, while cash and cash equivalents also rose by 13.0%, from SAR 929 million in 2020, to surpass SAR 1 billion for this year.

In the year ahead, we will continue to drive positive performance and results through the execution of the strategic pillars of our GAIN corporate strategy. By investing in our human capital, infrastructure and digitization, we will accelerate our transformation to fulfill our role as a catalyst of positive change in the Kingdom while enhancing services and experience for our customers. Our strong brand and excellent financial performance for the year gives us confidence in our strategic direction and our ability to generate increasing value for our Company and our valued Shareholders.

Mr. Khalid Abdulrahman Abanami

Chief Financial Officer

Balance Sheet Highlights (SAR'000s)	2021	2020	% Change
Total assets	39,363,908	38,408,057	2.5%
Total liabilities	24,167,662	23,962,830	0.9%
Total equity	15,196,246	14,445,227	5.2%

Income Statement Highlights (SAR'000s)	2021	2020	% Change
Gross profit	8,671,515	8,152,408	6.4%
Operating profit	1,667,784	1,366,517	22.0%
Net income	1,071,541	783,254	36.8%

Cash Flow Statement Highlights (SAR'000s)	2021	2020	% Change
Net cash generated from operating activities	4,812,157	4,169,800	15.4%
Net cash used in investing activities	(2,916,092)	(2,866,272)	1.7%
Net cash used in financing activities	(1,774,900)	(1,625,710)	9.2%
Cash and cash equivalents	1,050,663	929,498	13.0%