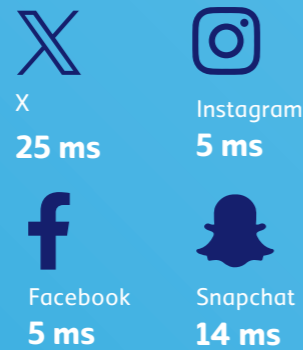


CONSUMER UNIT

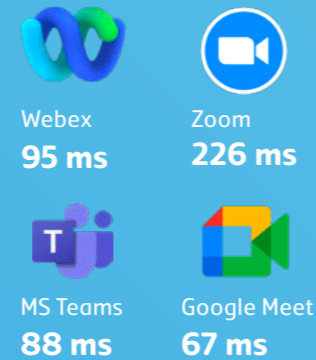
DELIVERING VALUE THROUGH PRODUCT INNOVATION

In 2023, the Consumer Unit navigated price-driven competition and challenging market and regulatory dynamics to grow Mobyly's customer base. It maintained a competitive edge with its core products, led the market with attractive new offerings and continued to reduce customer churn through advanced analytics and enhanced user experience.

Latency for Most Used Social Media Platforms in the Kingdom



Latency for Most Common Video Conferencing Platforms in the Kingdom



Strengthening the value proposition for the business-to-consumer segment is an important pillar of Mobyly's new growth strategy, building on the successful implementation of the previous strategies. The Consumer Unit manages all aspects of the business for Mobyly's individual customers, including consumer products and revenue, as well as customer acquisition, lifecycle and support.

The Consumer Unit took a strategic approach to market competition this year, introducing new and attractive products across its core, digital and value-added services, while leveraging Mobyly's capabilities to push the sale of smart devices. Moving forward, the Unit will continue to focus on product differentiation, market segmentation and digital development as its key growth areas.

Expanding and Improving Connectivity

Mobyly's continuous and ambitious rollout of 5G across the Kingdom is a key enabler of the Unit's strategy, providing consumers access to high-speed internet, enhancing customer experience and increasing the customer lifecycle. By offering a larger amount of content and data for customers to consume, 5G creates opportunities for the Consumer Unit to upsell more plans, increasing the average revenue per user.

The Company also modernized its Fiber-to-the-X (FTTX) network to support higher speeds up to 10G, launching a 1G package this year. While the technology faced new regulations, Mobyly's fiber network extended its coverage to 60,670 kilometers and was awarded coverage of 451 zip codes from the Communications, Space and Technology Commission (CST).

According to the latest Opensignal Report, Mobyly's mobile internet average download speed improved in 2023 to reach 38.0 Mbps, and mobile 5G average download speed increased to reach 210.9 Mbps.

With its network latency reduced, Mobyly topped the download speed percentage for the most popular gaming platforms in Saudi Arabia. It ranked #1 for 3 gaming platforms (Play Station, XBOX and STEAM) over the FTTH Network and for 11 out of 16 most popular video games (e.g., FIFA, Call of Duty and PUBG), as per the CST fourth quarter Game Mode Report.

Mobyly also had the lowest latency for 2 of the most popular social media platforms in Saudi Arabia, with 25 ms for X, 14 ms for Snapchat, 5 ms for Instagram and 5 ms for Facebook. It performed well in supporting video conferencing platforms, with 95 ms for Webex, 226 ms for Zoom, 88 ms for Microsoft Teams and 67 ms for Google Meet.

Achievements and Awards

The Consumer Unit had an impressive year in terms of sales and customer service, achieving growth across its most important key performance indicators. Overall revenues increased year-on-year. Gross advertisements expanded by almost 12% year-on-year and the FTTH base grew by approximately 6%. The Unit saw a 6% reduction in customer churn, continuing the positive trend of the last 5 years. Importantly, the TRI*M score for customer satisfaction increased from 96 to 99 in 2023, while other operators in the Kingdom saw their scores decline or stagnate.

The Hajj season was especially successful for Mobyly with the network supporting record numbers in data transfer traffic in the Holy Sites compared to last year's season. The coverage of 5G sites increased by 86% and the 5G traffic increased by 133%. An increase of 68% was recorded in the volume of data usage, in addition to an increase in the volume of general

calls by 76% and international calls by 200%. Voice over LTE (VoLTE) through 4G grew by 121%.

During the Hajj season, the Company employed artificial intelligence (AI) and digital twin technology to improve network performance. More than 500 AI operations resulted in a 76% reduction in malfunctions, 99.7% customer satisfaction with the quality in VoLTE services and 99.4% satisfaction with the quality of internet browsing services.

In 2023, the Unit received important awards for its outstanding operations and customer experience. Mobyly's consumer planning earned the 'Research Excellence Accolade 2023' for its innovative research strategies that set new benchmarks in the Saudi Arabian market. Moreover, Mobyly won the 'Best Customer Experience Award 2022' at the ICT Indicators Forum, hosted by the CST. The award, based on customer feedback, recognizes Mobyly's adherence to international standards

of customer experience and its efforts to increase its competitiveness in the Kingdom. The Consumer Unit played a vital role in winning this award, by enhancing the digital and experiential journey for Mobyly's customers.

New Product Launches

Mobyly held its market leadership in 2023 by launching dozens of consumer products that featured the latest technologies and devices from leading providers. The Consumer Unit shifted its focus to the postpaid portfolio, offering customers a more experiential rather than functional communication service. This was evident in all the commercial campaigns that Mobyly ran in 2023.

Other priorities that fueled growth for the Consumer Unit included enriching the portfolio for standalone services with different verticals, expanding partnership agreements, collaborating with partners for marketing and promotion and developing bundling opportunities with other Mobyly segments. It worked to support new



CONSUMER UNIT (CONTINUED)

capabilities such as Bluemarble and Newstack. It also automated the digital advertising invoice process with the Zakat, Tax and Customs Authority's system.

The Unit added leading services to expand its portfolio across different verticals, such as Netflix and Shofha Plus for streaming, Yalla Ludo for gaming, Huawei Cloud for personal use and 3abee and Codashop cards and vouchers. It also developed the business case and concept paper for the smart home ecosystem, which aims to provide a seamless and integrated home experience.

This year, the Unit relaunched the Mobily TV service with a new design and content to offer an innovative experience and enabled the service for FTTX users. The new Mobily TV app offers customers access via iOS, Android, Huawei, Apple TV and Android TV. Mobily also partnered with top content providers such as Shahid, Watchit and STARZPLAY to offer attractive propositions for "digitally savvy" customers.

The Unit collaborated with other segment teams to offer content services as part of the postpaid and FTTH packages. These services include Mobily TV, Anghami, OSN, Shahid and more, creating a distinctive value proposition for the segment's bundles. The Consumer Unit also enhanced the Ramadan campaign, where content services like Shahid and STARZPLAY came with free data, enabling prepaid users to stream their preferred services.

In addition to these achievements, Mobily introduced AppleCare+ for a range of its devices, such as the iPad, Apple Watch, Apple TV and the iPhone 15. AppleCare+ is a service plan that extends device coverage for 2 or 3

years from the original purchase date and covers unlimited incidents of accidental damage.

Building Brand Equity

Mobily maintained a competitive edge in the market by offering aggressive and attractive offers and promotions across all consumer segments. It executed multiple marketing campaigns throughout the year, ranging from major advertising for devices and accessories, such as outdoor promotions and television coverage, to small direct and targeted marketing. The Consumer Unit collaborated with its partners to enact location-based and SMS advertising promotions. It conducted in-store activations with retail partners such as Apple, Google and Huawei. Mobily also gained consumer brand exposure by participating in the LEAP 2023 International Technology Conference in Riyadh.

The Consumer Unit continued to offer value to its base for Direct Carrier Billing (DCB) and content services with marketing activities for its standalone services portfolio, as well as bundling efforts with other Mobily segment teams such as postpaid and FTTH. This resulted in year-on-year growth in terms of gross revenue.

The Unit launched specific offers for content services such as Spotify and Anghami to grow its content customer base. Moreover, Mobily promoted its digital over-the-top services by creating a unique marketing campaign that highlighted the convenience and security of its DCB service, which enables customers to pay for well-known content providers easily and safely.

Furthermore, Mobily launched a unique segmented campaign called "Mobily Link" that targeted expats from different nationalities with tailor-made packages. The campaign used a variety of segmented content including videos and key visuals to deliver relevant messages based on recipients' home countries.

Expanding Gaming Services

This year, Mobily capitalized on the growing Saudi Arabian gaming industry, which is expected to reach USD 1.3 billion by 2025. The Consumer Unit launched an e-sports and gaming portal called Mobily Gamers, creating a one-stop hub for participants to play and watch games. It offered gaming bundles that allowed users to enjoy unlimited usage of a variety of popular games. It also sold gaming devices on its e-Shop platform, where customers can find the latest and top gaming products.

The Consumer Unit raised awareness of Mobily Gamers among its customers through SMS and social media campaigns, and targeted new customers by employing location-based advertising. It also held an iPhone 14 draw for its loyal users and organized various tournaments on the portal, where gamers competed to win prizes.

In 2023, Mobily partnered with Coda Payments, the world's leading provider of cross-border monetization solutions for mobile gaming and digital services. The partnership enables Mobily users to purchase their favorite mobile gaming top-ups and vouchers using their mobile phone number. The solution offers greater value to Mobily customers while supporting the Company's expansion efforts and ambition to become a major player in the gaming world.

Looking Forward to 2024

In the upcoming year, there will be a clear trend of consumers gravitating towards a more personalized customer experience, tailored to individual lifestyles. This shift will be mirrored in the Consumer Unit's exceptional marketing campaigns, ensuring that communication remains distinct and effective, thereby strengthening Mobily's brand equity.

Mobily is committed to expanding its core offerings with the introduction of innovative products and services and exploring value-added solutions. Special attention will be given to the gaming demographic through targeted campaigns and offers.

Moreover, the Consumer Unit will aim to elevate the digital experience, positioning it as a primary channel in its customer engagement strategy. Mobily will continue to enhance and expand its 5G and FTTX coverage to support higher speeds for users, developing Fiber-to-the-room capabilities as well as tailored gaming packages.

2023 PERFORMANCE HIGHLIGHTS

Through strategic initiatives, proactive analytics and innovative approaches, the Consumer Unit set new benchmarks in customer satisfaction, revenue growth and technological advancements.

5% Reduction in Prepaid Customer Churn

The Prepaid team successfully implemented various initiatives under Customer Value Management, playing a pivotal role in enhancing customer retention and loyalty.

6% Growth in Prepaid Recoveries

Through targeted efforts and effective recovery strategies, the Prepaid team demonstrated resilience and adaptability in navigating challenges, fostering positive financial outcomes.

4% Reduction in Postpaid Consumer Churn

The Postpaid team not only safeguarded revenues but also underscored its commitment to delivering exceptional customer experiences and satisfaction.

Substantial Migration of Prepaid Customers to Postpaid

Through strategic initiatives, the Postpaid team demonstrated the ability to attract and retain customers in a competitive market.

3x Increase in Accuracy of Proactive Prepaid Dormancy Prediction

The Advanced Analytics team harnessed the power of machine learning to develop a predictive model for prepaid customer dormancy periods, achieving 3 times greater accuracy than traditional methods.

42% Increase in Digital Recharge

Through AI-driven statistical modeling, the Advanced Analytics team boosted customer convenience and generated substantial savings in sales commissions for recharge cards.

Significant Improvement of the Postpaid Credit Risk Score

The Advanced Analytics team revolutionized credit risk assessments for postpaid customers by developing a new scoring system, which led to an exceptional decrease in the customer default rate.

