

zain



Enabling tomorrow's

WONDERFUL WORLD

2025
**ANNUAL
REPORT**

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Enabling Tomorrow's Wonderful World

Zain KSA delivered a year of strong strategic progress, combining sustained financial performance with meaningful operational execution. The Company advanced its digital infrastructure, expanded into new growth areas, strengthened customer and enterprise offerings, and deepened its contribution to national development through innovation, inclusion, and responsible business practices.

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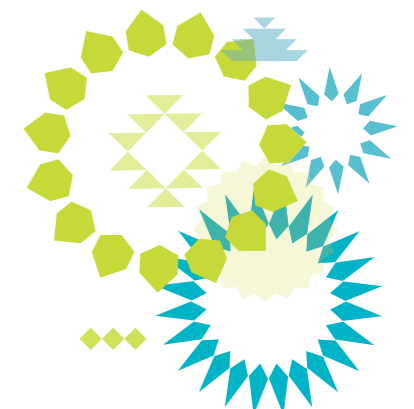
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Download our application



Theme of the year

Enabling Tomorrow's Wonderful World

At Zain KSA, innovation is measured by the difference it makes in everyday life and the societal and economic development it enables.

In 2025, the Company's clear intent to shape a future where technology meaningfully serves society and progress was demonstrated through unlocked opportunities, increased inclusion and enhanced everyday experiences. Zain KSA continued to evolve from a connectivity provider to a national enabler of technology-led growth and possibility across the Kingdom.

At the heart of this journey is a commitment to anticipating market demand and taking early action. During the year, Zain KSA focused on building capabilities that address tomorrow's needs, reinforcing the foundations that allow individuals, businesses and institutions to thrive in an increasingly connected world.

By investing in scalable ecosystems, strong partnerships and localizing advanced technologies, the Company strengthened its role in advancing the Kingdom's transition toward a digital economy. This included a focused expansion of solutions designed to meet the evolving needs of businesses and enterprise partners.

Prioritizing the human impact of technology, Zain KSA approaches digital transformation as a practical way to improve lives, empower communities and strengthen social connections. In 2025, the Company delivered safer and more seamless experiences during moments of national significance, supported new forms of economic participation and expanded access to services that improve quality of life. Across these efforts, people remained at the center of how connectivity solutions and use cases were designed and applied.

Looking ahead, Zain KSA is confident in what can be achieved when innovation is balanced with responsible stewardship. By aligning corporate strategy with national priorities, embedding sustainability into decision-making and encouraging collaboration, the Company is helping shape a future that is more connected and more human centric. This goes beyond keeping pace with change to enabling progress that delivers real and long-lasting outcomes for all.



At a Glance

The year's performance reflects Zain KSA's continued progress in strengthening its position as a leading digital enabler within the Kingdom's evolving technology landscape. Through disciplined execution of its strategy, the Company advanced its operational capabilities, expanded its digital ecosystem and reinforced its commitment to responsible growth, translating strategic priorities into measurable outcomes across financial performance, operational development and ESG impact.

Financial Highlights

Revenue (ﷲ Billion)



Net Profit (ﷲ Billion)



* 66% y-o-y growth in net profit in 2025 after excluding non-recurring items (withholding tax and zakat provisions) totaling ﷲ 233 million.

EBITDA (ﷲ Billion)



Operating Profit (ﷲ Billion)



Operational Highlights

66.7%

5G population coverage across 103 cities

GPU-as-a-Service

infrastructure launched

1st

AI-enabled 5G network across the Holy Sites

Expansion

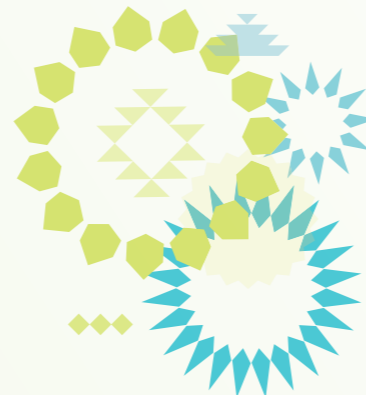
into digital insurance through Insurtech

600 MHz

spectrum activated

ZGI 2025

Innovative Accelerator Program launched



ESG Highlights

26.7%

reduction in fuel consumption

12

vendor ESG audits completed

65 million

documents securely shredded and recycled

AA

MSCI score maintained

440+

children empowered to stay safe in the digital world

Zain Great Idea launched

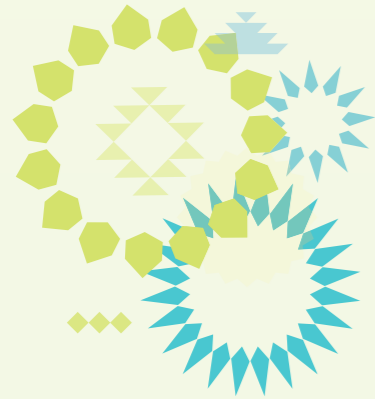
(startup accelerator with 200+ applicants & 43 trained startups)



About Zain KSA

Zain KSA is a leading digital services provider in Saudi Arabia, supporting the Kingdom's digital transformation and advancing an inclusive digital economy aligned with Saudi Vision 2030. Through advanced digital infrastructure and cutting-edge technologies, it builds a more intelligent and sustainable wonderful world, guided by human-centric experiences that enhance quality of life and strengthen Saudi Arabia's global competitiveness.

Zain KSA delivers an integrated ecosystem of digital solutions for individuals and enterprises, while expanding into adjacent markets to drive growth and innovation across the digital value chain. Aligned with ESG principles, it empowers national talent, advances digital inclusion and creates long-term value toward a smarter society and a sustainable digital future.



Our Vision



Our vision at Zain KSA is to become the leading telecommunications operator and digital services provider across Saudi Arabia and to achieve best-in-class services and products and superior customer service in a hyper-connected world.

Our Values



Customer Centric

We pore over every detail, inspired by the best global practices, developing innovative and high-end services that fulfill our customers' aspirations.



Open Communication

We ensure credible business dealings while maintaining open communication for more reliable performance.



Belonging

We take pride in our community and in our talents, which we credit for our achievements.



Inclusion

We provide a competitive, dynamic and unbiased work environment that supports the role of women, people with disabilities and a diverse mixture of cultures and generations.



Agility

We provide a flexible and accessible service with the fastest and most superior technology.

شركة الاتصالات المتنقلة السعودية زين
Mobile Telecommunications Company ZAIN

Our Journey

2008

- Successful completion of the IPO, followed by the commercial launch of Zain KSA



2019

- Launch of the Yaqoot digital platform
- Launch of Zain KSA Drones
- Launch of the largest 5G network in the Middle East, Europe and North Africa



2021

- Full elimination of accumulated losses
- Launch of the first cloud gaming platform, GeForce NOW, in the Kingdom of Saudi Arabia



2023

- Completion of the telecommunications tower infrastructure sale and leaseback transaction with Golden Lattice Investment Company (GLIC)
- Signing of a framework agreement with the Shareek Program to launch a number of hyperscale data centers
- Inauguration of the world's first zero-carbon 5G network, in partnership with Red Sea Global



2011

- First operator to commercially launch 4G services in the Kingdom of Saudi Arabia



2020

- Launch of the fintech arm Tamam, upon obtaining the first consumer micro-financing license from the Saudi Central Bank (SAMA)
- Completion of the capital restructuring process
- Launch of the corporate sustainability strategy
- Launch of Zain Cloud to serve the enterprise and government sectors



2022

- Commencement of work on connecting the Middle East to Africa through the J2M submarine cable
- Expansion of Zain Cloud to serve the enterprise and government sectors
- Launch of the PLAYHERA MENA esports platform



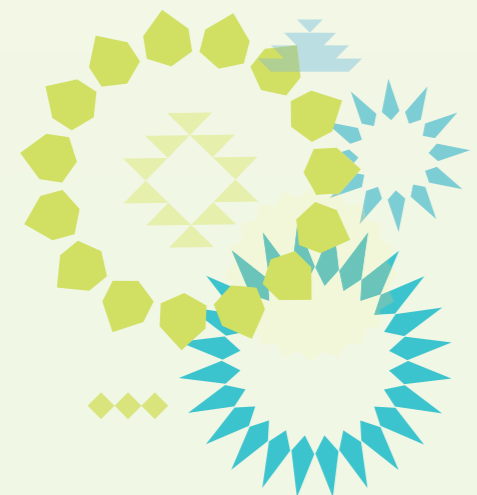
2024

- Investment of 1.1 billion in expanding the 5G network across the Kingdom



2025

- Entry into the insurance brokerage sector
- Activation of the 600 MHz frequency band
- Signing of a 5.5 billion Murabaha Facility Agreement





ﷲ **1.3 bn** (+9%)

Operating Profit

During an award-winning year, Zain KSA continued to unlock value for its investors and stakeholders while enabling tomorrow's wonderful world.

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Year in Review

Our Journey Throughout 2025

During 2025, Zain KSA advanced its transformation into a fully integrated digital enabler through systematic initiatives that strengthened digital infrastructure, scaled its digital business ecosystem and reinforced sustainability and governance practices. These efforts supported long-term value creation for customers, partners and shareholders, in line with Saudi Vision 2030 objectives.

Pillar 1: Innovation and Digital Infrastructure

Zain KSA advanced a future-ready digital infrastructure built on cutting-edge global technologies, supporting long-term growth and addressing the evolving requirements of the digital economy.

Key achievements

- Launching Zain Multi Cloud, the Kingdom's first unified platform for cloud infrastructure management, in collaboration with Dell
- Operating first AI-driven 5G network across the Holy Sites
- Connecting Farasan Islands via cutting-edge wireless link designed to minimize environmental impact
- MoU with Nokia to develop 5G and 5G-Advanced solutions through Cloud RAN and AI RAN technologies
- Initiating the commercial deployment of 5G Standalone (5G SA) on the 600 MHz frequency band
- MoU with Cisco to develop AI-based infrastructure and a GPU-as-a-Service (GPUaaS) operating model
- Establishing a strategic partnership with Groq to develop a fully localized AI inference platform, designed and deployed entirely within the Kingdom
- Providing 4G and 5G coverage at Abu Bakr Al-Siddiq Tunnel in Riyadh, one of the longest tunnels in the Middle East
- Cooperation agreement with Atheer Connectivity to enhance network performance and expand coverage via advanced wireless technologies

Impact

- Accelerated integration of AI across network and infrastructure
- Improved infrastructure readiness for smart cities and mission-critical sectors
- Supported scalable growth across digital business lines
- Strengthened Zain KSA's position as a leading provider of integrated digital solutions
- Contributed to economic diversification and sector productivity

Pillar 2: Advanced and Intelligent Technologies

Zain KSA expanded its digital portfolio through the deployment of intelligent digital solutions, addressing the requirements of government entities and the enterprise sector.

Key achievements

- Obtaining authorization from the Digital Government Authority to independently deliver full digital authentication services, positioning Zain KSA as an accredited provider within the national digital authentication ecosystem
- Strategic partnership with KoçDigital to develop advanced digital solutions supporting the transition of the Kingdom's industries toward smart manufacturing
- Launching the Saudi-Made package to support digital enablement of the national industrial sector through locally developed solutions
- MoU with NHC Innovation to accelerate digital transformation across real estate and municipal sectors
- Strategic partnership with ALTANFEETHI to advance digital transformation across Saudi airports through integrated digital infrastructure
- Agreement with Integrated Dawiyat to deliver advanced data center and connectivity solutions supporting enterprise digital operations.
- MoU with DSShield to provide advanced cybersecurity services supporting secure and resilient digital transformation
- Launching innovative Femtocell-based connectivity services, with Nokia, to enhance customer experience across mobile services
- Rolling out managed infrastructure solutions (e-Kit) with Huawei to support digital transformation for SMEs
- Signing an agreement with Oracle to deploy Oracle Cloud Enterprise Applications, enhancing operational efficiency for the business sector
- Partnering with Huawei KSA to introduce exclusive routers with FWA Gaming Accelerator capabilities, delivering optimized performance for digital entertainment and gaming
- Signing a cooperation agreement with CyberX to collaborate in the fields of technology and cybersecurity, with the aim of increasing awareness in this domain
- Launching next-generation voice communication services, in collaboration with Oracle, supporting innovation across the communications ecosystem
- Launching Data Loss Prevention (DLP), with Symantec, contributing to the localization of cybersecurity services within the Kingdom
- Agreement with Kaspersky to develop advanced cybersecurity solutions aligned with evolving cyber-threats
- Cooperation agreement with LG Uplus to develop AI agent services

Impact

- Established an integrated ecosystem of advanced digital services
- Enabled smart city use cases and critical public services
- Strengthened national readiness for Industry 4.0
- Enabled digital transformation across the business sector

Year in Review continued

Pillar 3: Digital Experience and New Growth Markets

Anchored in a human-centric digital strategy, Zain KSA enhanced customer experiences and advanced digital inclusion through a portfolio of innovative products, solutions and services. This momentum was supported by sustained business growth with higher investment returns and adjacent market expansions.

Key achievements

- MoU with Ministry of Hajj and Umrah to enhance the visitor experience through the Nusuk Hajj platform
- Strategic partnership with Emkan Finance to expand Yaqoot's payment options and enhance service accessibility
- Agreement with Mokafaa to deliver advanced digital services enhancing customer experience
- MoU with Majid Al Futtaim Group to provide Zain KSA's digital services to employees and customers
- Launching mobile-number authentication for visitors via Yaqoot in partnership with Absher
- MoU with Shared Tech to enhance accessibility across digital platforms and services, enabling inclusive access for persons with disabilities
- Cooperation agreement with CyberX to advance technology and cybersecurity awareness initiatives
- MoU with urPAY to extend Zain KSA's digital services to application users
- Tapping into insurtech through acquisition of a majority stake in Green Shield Insurance Brokers Ltd (GSIB)
- MoU with Almosafer to deliver advanced digital services to customers and employees

Impact

- Enhancing user experience
- Fostering digital inclusion
- Investing in new adjacent markets
- Expanding portfolio of solutions and services for individuals and enterprises

Pillar 4: Youth and Inclusive Empowerment

Zain KSA identifies youth development and inclusive empowerment as two defining pillars, equipping emerging talent with the knowledge, skills and experience to thrive in the digital economy. The Company advances this mission through comprehensive development programs, strategic training partnerships and initiatives that promote environmental and social sustainability.

Key achievements

- MoU with Liqlehum Association to empower persons with disabilities
- Strategic partnership with the Social Development Bank to empower entrepreneurs and MSMEs (Micro, Small, and Medium Enterprises) and enhance their contribution to the national economy
- Training 207,330 young men and women through Wa'ad program, in collaboration with the Ministry of Human Resources and Social Development
- Celebrating graduation of the fourth cohort of Women in Tech (WIT), in collaboration with the Ministry of Communications and Information Technology (MCIT) and Princess Nourah bint Abdulrahman University

Impact

- Developing the next generation of digital leaders
- Strengthening national capabilities within the ICT sector
- Embedding social responsibility into the Company's core business model
- Amplifying long-term social impact
- Supporting economic growth and enterprise development



Year in Review continued

Pillar 5: Sustainability and National Impact

Throughout 2025, Zain KSA advanced its expansion strategy, anchored in strategic investments, operational and financial efficiency and strong governance.

Key achievements

- Securing a five-year SAR 5.5 billion Murabaha facility with a consortium of local and regional banks
- Strategic partnership with Nokia to strengthen ESG practices and reduce carbon emissions
- Agreement with Huawei KSA to develop green network solutions, enhancing operational efficiency and sustainability

Impact

- Bolstering investor and regulatory confidence
- Reinforcing long-term financial sustainability
- Advancing green technology initiatives
- Supporting national development targets



Awards and Recognitions

In 2025, Zain KSA received local, regional and international recognition, as well as several awards that reflect its excellence across innovation, sustainability, customer experience and governance. These accolades further affirm Zain KSA's leading position in the telecommunications and digital services sector.

 <p>International Organization for Standardization (ISO)</p> <p>ISO 30405:2023 – Human Resource Management — Guidelines on recruitment</p>	 <p>Telecom Review</p> <p>Best AI Application for Operators, Middle East</p>	 <p>Informa Connect</p> <p>Best 5G-Advanced Service Innovation</p>	 <p>Council of Health Insurance (CHI)</p> <p>Best Health and Wellness Program Large Enterprises</p>	 <p>Saudi Customer Experience</p> <p>Best CX in Retail – Gold</p>	 <p>Saudi Customer Experience</p> <p>Best Measurement in CX – Silver</p>
 <p>Council of Health Insurance (CHI)</p> <p>Health Communication Excellence – Large Enterprises</p>	 <p>Ministry of Human Resources and Social Development</p> <p>CSR Award – Gold</p>	 <p>MENA Digital Awards</p> <p>Best Use of Digital Sector – Technology and Telecommunications</p>	 <p>MENA Digital Awards</p> <p>Best Use of Digital Sector – Performance Marketing</p>	 <p>MMA SMARTIES</p> <p>Performance Marketing – Silver</p>	 <p>MMA SMARTIES</p> <p>Customer Journey & Customer Acquisition / CRM – Bronze</p>
 <p>Carbon Disclosure Project (CDP)</p> <p>Global Disclosure – A Score for Climate Action</p>	 <p>Connected World KSA</p> <p>Connected World KSA Award – Next-Generation Talent and Inclusion Category</p> 				

Sponsorships and Partnerships

Zain KSA continued to establish strategic partnerships and sponsorships that reflect its expanding role as a national digital enabler across a multi-sector ecosystem.

Sponsorships:



Partnerships:



Where We Operate

Zain KSA's transformation into a leading telecom and digital services provider in Saudi Arabia is due in part to our focus on innovation and deploying advanced technology and infrastructure in the national ICT sector. By driving digital transformation, the Company supports Saudi Vision 2030's goals of economic

diversification, a vibrant society and a prosperous economy. Zain KSA's strategic investments in digital infrastructure have facilitated the widespread adoption of cutting-edge technological services across the Kingdom, ensuring an unparalleled user experience.

Our 5G footprint – 103 cities (including Red Sea project) in Saudi Arabia

- | | | | | | | | |
|----------------------|------------------------|--------------------|---------------------------|---------------------|---------------------|----------------|--------------------|
| 1. Abha | 17. Dammam | 32. Jubayl | 46. Nuayriyah | 58. Sakaka | 69. Yanbu | 79. Ash Shinan | 90. Uyun Al Jiwa |
| 2. Abu Arish | 18. Darb | 33. Jumum | 47. Oyun | 59. Samtah | 70. Zulfi | 80. Hait | 91. Al Rayis |
| 3. Ahad Al Masariyah | 19. Dhahran | 34. KAUST (Thuwal) | 48. Qatif | 60. Sabya | 71. Malham | 81. Al Qasab | 92. Baljurashi |
| 4. Ahad Rufaydah | 20. Dilam | 35. Khafji | 49. Qunfudhah | 61. Safwa | 72. Salwa | 82. Ushaiqer | 93. Al Khabra |
| 5. Aflaj | 21. Diriyah | 36. Khamis Mushayt | 50. Qurayyat | 62. Shaqra | 73. Khulays | 83. Aseelah | 94. Bani Hassan |
| 6. Ahsa | 22. Duba | 37. Kharj | 51. Quwayiyah | 63. Tabuk | 74. Al Wajh | 84. Ash Shamli | 95. Al Ghazalah |
| 7. Arar | 23. Duwadimi | 38. Khobar | 52. Rabigh | 64. Taif | 75. Ula | 85. Khaybar | 96. Al Mishalialah |
| 8. Bad' | 24. Hafar Al Batin | 39. Lith | 53. Rafha | 65. Tubarjal | 76. Mahd Adh Dhahab | 86. Umluj | 97. Al Mithnab |
| 9. Badai | 25. Hail | 40. Madinah | 54. Ras Tannurah | 66. Turayf | 77. Al Jubaylah | 87. Al Thamad | 98. Tanomah |
| 10. Bahah | 26. Hair | 41. Makkah | 55. Rass | 67. Unayzah | 78. Al Wadeen | 88. Tathlith | 99. Al Uwayqilah |
| 11. Bahrah | 27. Hajj Mashaer Areas | 42. Majmaah | 56. Red Sea Project (RSP) | 68. Wadi Ad Dawasir | | 89. Qaisumah | 100. Badr |
| 12. Baysh | 28. Hawtat Bani Tamim | 43. Muzahimiyah | 57. Riyadh | | | | 101. Al Hinakiyah |
| 13. Bishah | 29. Hayathem | 44. Najran | | | | | 102. Afif |
| 14. Bukayriyah | 30. Jazan | 45. Neom Airport | | | | | 103. Al Uyaynah |
| 15. Buqayq | 31. Jeddah | | | | | | |
| 16. Buraydah | | | | | | | |

Investment Case

A national digital champion delivering sustainable growth

Zain KSA is a leading enabler of Saudi Arabia’s digital transformation, delivering sustained revenue growth, strong profitability and a resilient financial position. With national-scale 5G leadership, expanding digital and enterprise services and a clear alignment to Vision 2030, the Company continues to unlock long-term value for shareholders while advancing the Kingdom’s digital economy.

Future-forward network

National 5G leadership and continuous network modernization

Achieved 66.7% population coverage following expanded 5G rollout across the country

Achieved advanced 5G Standalone readiness, including VoNR, VoWiFi/ VoNR handover, SA roaming and gaming features

Recognized with the GSMA 5G Monetization Foundry Excellence Award and delivered high-quality performance during Ramadan and Hajj 1446H

Digital champion

Accelerating digital adoption across all channels by driving a digital-first experience across every touchpoint

Delivered end-to-end digital journeys across activation, payments, add-ons, CVM offers and visitor onboarding

Enabled in-house digital platforms (e-commerce and marketplace), reducing TCO and accelerating time-to-market

Strengthened digital ecosystem with Zain Clinic, YouTube Premium integration, Gift Card Hub and LikeCard vouchers marketplace

5G Beyond telecom

Expanding into new high-growth digital verticals

Strengthening Fintech through Tamam and exploring Insurtech opportunities

Advancing healthtech via Zain Clinic and AI-driven telemedicine, expanding access to digital healthcare

Investing in data centers, cloud infrastructure, gaming and esports platforms and tech-enabled logistics to build a diversified digital ecosystem

Sustainable practices

Strong ESG leadership and responsible business operations

Launched an e-waste recycling initiative (Recycle Your Device) in partnership with CST and other organizations, promoting responsible device disposal and reaching a wide audience

Delivered inclusive programs empowering people with disabilities, alongside data privacy and cybersecurity awareness initiatives strengthening digital trust

Awarded third place for Best ESG & Sustainability Report at Middle East Investor Relations Association (MEIRA), and advanced community impact through initiatives like Recycle Your Device, PWD bundle and Boccia 2025 sponsorship

Partner of choice

Trusted digital partner for government, enterprises and global technology leaders

Established long-term collaborations with key public-sector entities and international technology partners

Secured high-value government contracts and delivered **ﷲ 1.27 billion** in cash collections, strengthening revenue visibility, earnings quality and public-sector leadership

Expanded enterprise offerings with Network as a Service, IoT solutions, SME networking kits and advanced 5G use cases

Stakeholder Engagement

Zain KSA ensures open and transparent communication with all of its stakeholder groups and allows them to easily contact us at their convenience through a variety of platforms and avenues, including meetings, social media, Zain KSA app, the Company’s website and press releases. Zain KSA encourages open communication and feedback and stands ready to resolve any of their issues or concerns.

Customers

How we engage

- Surveys
- Events
- Activities
- SMS
- Calls
- Social media accounts

How often we engage

Daily interactions as needed

How we create value

8.1 million customers trust Zain KSA to provide them with reliable telecommunications services.

Shareholders and investors

How we engage

- Events
- Meetings
- Emails
- Virtual communication

How often we engage

Quarterly

How we create value

Investors trust Zain KSA to provide a sustainable return on their investment and keep them updated on operational progress.

Employees

How we engage

- Surveys
- Events
- Meetings
- Internal communication emails
- Virtual communication
- Activities

How often we engage

Weekly

How we create value

Over 1,360 employees trust Zain KSA to provide them with job security and career development opportunities, as well as an open-door, transparent work culture.

Communities

How we engage

- Surveys
- Events
- Activities

How often we engage

Weekly

How we create value

Zain KSA provides 5G coverage across 103 cities (including Red Sea project), and understands its responsibility to support the communities in which it operates.

Business partners

How we engage

- Surveys
- Events
- Meetings
- Emails
- Virtual communication
- Activities

How often we engage

Monthly

How we create value

Zain KSA partners with local universities, government entities and not-for-profit organizations to make a positive impact on its communities and the environment.

Government and regulators

How we engage

- Meetings
- Emails
- Events
- Activities

How often we engage

Monthly

How we create value

Zain KSA stays abreast of the regulations issued by the Capital Market Authority (CMA), the Communications, Space and Technology Commission (CST), the Ministry of Communications and Information Technology of Saudi Arabia (MCIT), and the National Cybersecurity Authority (NCA), among others, to ensure we remain fully compliant with the latest requirements. We expect our business partners to align with local regulations, too.

Zain KSA’s proactive approach to stakeholder engagement helps build trust and maintain strong relationships with all stakeholder groups.

Concerns and feedback

Zain KSA welcomes feedback, both positive and negative, from all its key stakeholder groups. They can make contact via email as published on the website, or by calling the designated contact numbers in emergency situations.

Zain KSA prioritizes making user-friendly, accessible communication channels available to its stakeholders so that customers and other interested groups can readily submit complaints, make inquiries or report issues. Complaints are followed up and remediated by the internal audit or human resource management teams, as required.



Shareholders' Information

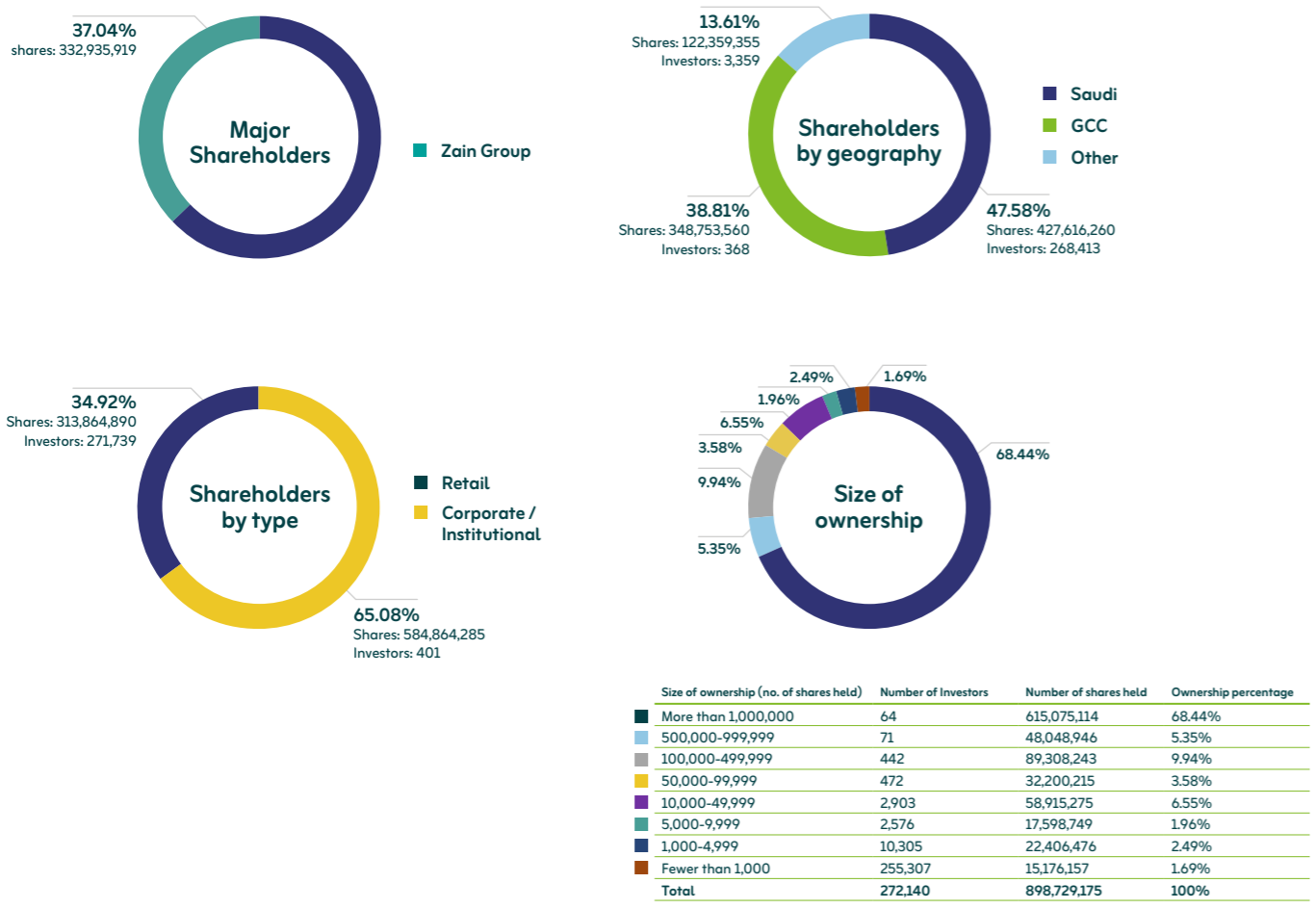
Share information

Listing date 22 March 2008	Number of shares issued 898,729,175	52-week low 10.12
Exchange The Saudi Stock Exchange (Tadawul)	Closing price as of 31 December 2025 10.43	Bloomberg ZAINKSA:AB
Symbol 7030	Market cap as of 31 December 2025 ﷲ 9,373,745,295	Industry and sector Telecommunications
ISIN SA121053DR18	52-week high 13.08	

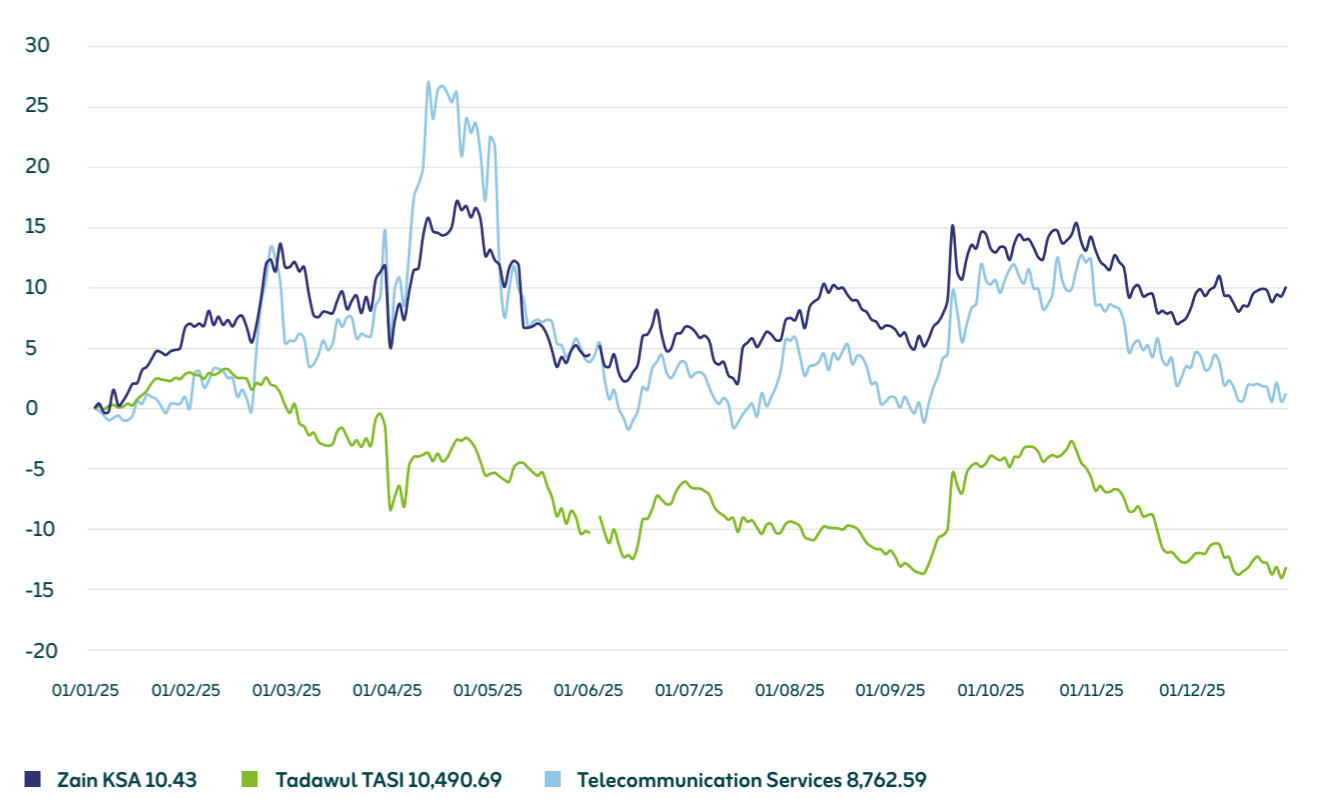
Investor relations calendar 2025

- February**
 - 18 February 2025 Year-end 2024 financial results announcement
 - 18 February 2025 Announcement of the Board of Directors' recommendation to distribute cash dividends for 2024
 - 20 February 2025 Year-end 2024 Zain KSA's earnings conference call
- April**
 - 24 April 2025 Ordinary General Assembly Meeting
- May**
 - 07 May 2025 Q1 2025 financial results announcement
- 15 May 2025** FY 2024 dividend distribution (ﷲ 0.50 per share)
- 15 May 2025** Q1 2025 Zain KSA's earnings conference call
- July**
 - 27 July 2025 Q2 2025 financial results announcement
 - 29 July 2025 H1 2025 earnings conference call
- October**
 - 26 October 2025 Q3 2025 financial results announcement
- November**
 - 3 November 2025 Q3 2025 earnings conference call

Please scan the QR code for our mobile app!



Stock performance FY 2025 (01 January 2025- 31 December 2025)





11 bn (+6%)
Record Revenue

A disciplined strategy focused on efficiency, governance, innovation, and an integrated digital ecosystem to enhance experience, drive growth, and create value for the Kingdom and its people.

02 Strategic Review

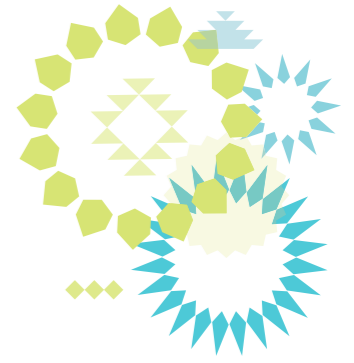
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Chairman's Statement

“

Zain KSA's journey reflects a steadfast commitment to our role as an active partner in the Kingdom's national development. Our strategic direction is anchored in supporting the digital economy, enhancing quality of life and empowering people.

Eng. Abdullah Bin Fahad AlFaris
Chairman of the Board



ﷲ 604 m
Net Profit

ﷲ 5.5 bn
Murabaha facility agreement

Inspired by the ambitions of Saudi Vision 2030, we continue to deliver sustainable growth built on innovation, contributing to accelerated economic and social transformation and reinforcing national competitiveness. Through this commitment, we strengthen the Kingdom's position as a regional and global hub for technology and innovation.

In 2025, Zain KSA reached a new level of maturity, reflected across operational, financial and organizational dimensions. This progress was driven by a focused acceleration of digital transformation, the expansion of digital solutions and services and enhanced readiness for the next generation of advanced technologies. In line with our commitment to national digital transformation goals we continued investing in digital infrastructure, deploying artificial intelligence (AI) technologies and localizing advanced solutions through strategic partnerships with leading global technology companies.

These efforts enabled individuals, businesses and government entities to benefit from integrated digital solutions that supported transformation across vital sectors, enhancing productivity and driving efficiency. At a broader level, they strengthened the digital economy and contributed to a more resilient national economy that advances competitiveness and quality of life.

Digital inclusivity remains a core value embedded into our corporate culture. During 2025, we expanded access to AI-enabled 5G solutions across the Kingdom through a comprehensive geographic and sector-based rollout. We take particular pride in our continued service to the nation and pilgrims through an advanced digital ecosystem across all Holy Sites, introducing significant improvements in service quality and operational efficiency, elevating the experience of pilgrims and supporting relevant national efforts.

At the same time, we continued upgrading our telecommunications and digital services for individuals and businesses, alongside our investments in adjacent markets such as financial technology, digital health services and esports. In 2025, the Company tapped into a new sector, insurance technology, reinforcing our strategic focus on diversifying growth streams, strengthening business sustainability and aligning with the rapid evolution of the digital economy.

These strategic priorities translated into continued financial performance improvement during 2025. We delivered value to our shareholders and investors, achieving the highest revenue in the Company's history at ﷲ 11 billion. Net profit rose to ﷲ 604 million, a 66% annual increase compared to 2024, after excluding nonrecurring items.

This performance further strengthened confidence in Zain KSA within the national financial sector. The Company successfully signed a Murabaha facility agreement valued at ﷲ 5.5 billion with a consortium of local banks for a five-year term, offering improved commercial terms and greater flexibility than previous facilities.

These developmental, operational and financial achievements provide strong momentum as we enter our next phase of growth. Guided by the ambition of the Kingdom's leadership to deliver the best for people and the planet, we remain firmly committed to sustainability through a clear strategy that integrates national objectives with environmental, social and governance (ESG) principles. This commitment is translated into tangible programs and initiatives with measurable impact, with a continued focus on Generation Youth, Inclusion and Operating Responsibly across our value chain. We look to 2026 with confidence and resolve, focused on converting national priorities into sustainable growth that serves the Kingdom and helps build a brighter future for all.

CEO's Message

“

The year 2025 marked a pivotal chapter in Zain KSA's journey, defined by transforming strategy into tangible outcomes reflected directly in performance indicators, service quality and customer experience.

Eng. Saad bin Abdulrahman AlSadhan
Chief Executive Officer



ﷲ 3.5 bn (+4.5%)
EBITDA

36.4%
Female representation in executive leadership

Throughout the year, we strengthened our operating model to enhance efficiency, agility and responsiveness, delivering measurable improvement across our core business.

We enhanced resource management efficiency and accelerated project delivery cycles, reinforcing service reliability and expanding digital coverage across the Kingdom. Our contribution to national infrastructure projects grew considerably and we continued to invest in our strategic assets, most notably the 600 MHz spectrum, which we began deploying to elevate network readiness and position our infrastructure for future demands.

Bridging the digital divide remained central to our mandate. We advanced targeted initiatives to extend coverage across remote communities, enabling broader digital inclusion and improving access to essential services while ensuring higher efficiency. In parallel, we executed complex operational projects, including full 4G and 5G network coverage of the 2,430-meter Abu Bakr Al-Siddiq Tunnel in Riyadh and strengthened connectivity along major highways. We also connected Farasan Islands to the mainland with zero seabed disturbance; a testament to our integration of technical excellence with environmental responsibility.

On the operational front, we focused on developing more integrated digital solutions serving individuals, businesses and government entities. By adopting automated systems and advanced data analytics, we improved efficiencies and elevated service quality. Through enhancements to our digital platforms and faster service processes, we streamlined the customer journey resulting in higher satisfaction levels and stronger user experience indicators.

These achievements were supported by clear governance and disciplined delivery mechanisms. We advanced our performance measurement framework, aligning it closely with strategic objectives and strengthened cross-functional integration while empowering national talent to lead the transformation. We also reinforced a culture grounded in innovation and sustainable impact while continuing to advance diversity and inclusion, with female representation in executive leadership reaching 36.4%. In addition, we achieved significant milestones in occupational safety and employee well-being, earning recognition through awards such as the Council of Health Insurance (CHI) award and the Labor Award 2025 for OSH Leaders & Partners (Large and Mega Enterprises).

Zain KSA's financial performance was exceptional and marks a defining milestone in the Company's journey. We delivered record revenue of ﷲ 11 billion, reflecting 6% annual growth. We enhanced the quality of our earnings, with net profit reaching ﷲ 604 million. EBITDA rose to ﷲ 3.5 billion, up by 4.5%, underscoring improved operational efficiency and the resilience of our business model. These results confirm we are advancing with discipline toward sustainable growth and long-term value creation for our shareholders.

Zain KSA's 2025 performance firmly establishes the foundation for a new phase of growth. It reflects our continued focus on strengthening operational and digital capabilities, enhancing capital efficiency and maximizing return on investment. Supported by a solid financial foundation and strong operational momentum, we move forward with confidence. We remain united in our commitment to operational excellence, elevating customer experience and building a more agile and sustainable digital ecosystem that serves society and strengthens the national economy, resulting in long-term returns for our shareholders and our customers.

Business Model

Powering possibility together

Zain KSA creates value by turning connectivity into progress that touches people, businesses and society. The Company brings financial strength, advanced networks, skilled talent, trusted relationships and responsible practices together to fuel growth across a diverse digital ecosystem. By expanding infrastructure, reimagining services, nurturing human potential and protecting the environment, the Company enables a connected future that improves everyday life, strengthens enterprise competitiveness and supports national ambition. Through innovation, inclusion and customer focus, it continuously reinvests outcomes back into its platform, creating a cycle of shared benefit where technology, people and partners move forward together.

Inputs

Financial capital

- Investments in 5G, fiber, cloud and digital infrastructure
- Revenue streams from mobile, broadband, ICT, digital services and Fintech

Manufactured capital

- Nationwide 5G network coverage
- Fiber network and data centers
- Retail stores, customer care centers and digital platforms

Human capital

- Skilled workforce
- Leadership with strong telecom and technology expertise
- Continuous employee development via e-learning and youth programs

Natural capital

- Recycling programs and e-waste initiatives
- Efforts to reduce carbon footprint

Intellectual capital

- Proprietary digital products (Yaqoot, cloud gaming, Fintech)

Social and relationship capital

- Strong partnerships with government, enterprises, SMEs and global vendors
- Community programs for youth, women and digital inclusion
- Trusted brand reputation in the Saudi market

How Zain KSA creates value



Vision

To become a leading information communications company in KSA that enables people to benefit in a hyperconnected world.



Mission

To play a leading role in the ongoing evolution of a digitally connected future - for people, businesses and machines - and deliver value to all key stakeholders.



Values

Agility, belonging, customer centric, inclusion, open communication

- Network deployment: 5G, FWA, fiber, data centers
- Digital transformation: Gen-AI channels, cloud, automation
- Fintech: Digital payments, micro-credit, alternative scoring
- Enterprise solutions: ICT, cloud, cyber, IoT services
- Consumer services: Mobile, broadband, entertainment, gaming
- Zain Business: Enterprise digital services
- Yaqoot: Digital-first mobile brand
- PlayHera: Gaming and esports ecosystem
- Partner ecosystem: Global vendors, government, SMEs

Strategic priorities

- 5G, B2B, Digital First, Fintech, Yaqoot

Competitive advantages

- Large 5G footprint in the Kingdom
- Strong digital ecosystem
- Innovative Fintech and gaming offerings
- Strong brand reputation

Corporate governance

- CMA/Tadawul-aligned oversight
- Strong compliance framework
- Transparent ESG reporting

Risk management

- Cybersecurity and data privacy
- Market and operational risk controls

Sustainability

- E-waste recycling and reforestation
- Digital inclusion programs
- Energy efficiency initiatives

Outputs

Financial capital

- Revenue growth from digital, Fintech and gaming services
- Improved EBITDA through efficiency and AI automation

Manufactured capital

- Expanded 5G coverage across the country (66.7% coverage)
- Increased fiber penetration
- Modernized digital channels and cloud infrastructure

Human capital

- 170,000 graduates trained via Evolve
- 410+ women trained through Women in Tech
- Employee engagement supported with learning and well-being programs

Natural capital

- Reduced e-waste through "Recycle Your Device"
- Lower carbon footprint via digital tools and energy efficiency
- Reforestation and environmental initiatives

Intellectual capital

- New AI models improving operations and customer experience
- Enhanced digital products (Yaqoot, cloud gaming platforms)
- Fintech advancements (AI scoring, open banking)

Social and relationship capital

- 8.5 million active digital users
- Enabling 3,000+ companies with Zain Business digital tools
- Strengthened social impact programs for youth and elderly
- Hiring 23 employees with disabilities

Our Strategy

We have developed a comprehensive strategy to position Zain KSA as the leading provider of telecommunications and digital services in the Kingdom. This strategy is built on key pillars aimed at enhancing operational and financial efficiency through strong governance, optimizing the Company’s capabilities and resources, staying ahead of global ICT innovations and creating an integrated digital ecosystem of advanced services and solutions to deliver the best user experience.

Vision

To become a leading information communications company in KSA that enables people to benefit in a hyperconnected world.

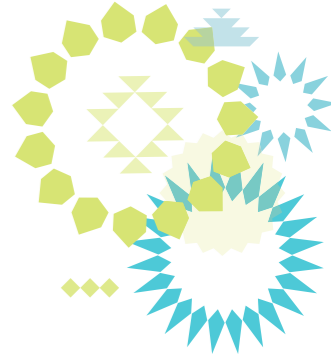
Purpose

Play a leading role in the ongoing evolution of a digitally connected future for people, businesses, machines and deliver value to all key stakeholders.

This strategy has driven our efforts to expand our operations and invest in the growth of Saudi Arabia’s ICT sector. We implemented our eight-pillar strategy across four key focus areas.

Outcomes		Processes		Stakeholders		Enablers	
Sustainable practices	Economic growth	Digital default	Beyond telecom	Partner of choice	Customer centricity	Future forward network	Brand and culture
Create positive impact outcomes that include improving profitability and cash-position, all while considering environmental and social disciplines.		Adopting sustainable and innovative processes that will allow us to venture into new areas of business while leveraging gains from automation in the businesses.		Generate value from and for stakeholders by scaling our B2B offerings and customer base and outperform the market on the B2C side.		Leveraging areas of strength, including human capital and 5G network leadership as enablers that propel the Zain KSA brand.	





Our Strategy continued

Key focus areas

Outcomes

Economic growth and Sustainable practices

Driving economic growth and implementing sustainable practices, ensuring both financial success and long-term responsibility.

We have established a supportive ecosystem that fosters the growth and success of the ICT sector, driving overall economic development. This includes achieving significant revenue growth across all segments, such as digital services, while contributing to Saudi Arabia's sustainable development goals. Our focus is on empowering a vibrant society and improving quality of life, with sustainability at the core of Zain KSA's integrated ecosystem.

The Company continues to explore environmentally friendly digital infrastructure and has developed multiple green technology solutions to address climate change. In addition, it focuses on e-waste management and recycling initiatives.

As part of this, Zain KSA has aligned with its technical partners to implement standards that reduce energy consumption, including the launch of the first zero-emission 5G network. This initiative minimizes greenhouse gas emissions, mitigates the impact of climate change and improves the quality of life in cities and communities through sustainable, innovative solutions that support Saudi Arabia's future goals.

Processes

Digital default and Beyond telecom

Implement comprehensive automation of the Company operations and invest in adjacent markets to achieve diversified revenue streams.

As technology reshapes the future and propels innovation to new heights, Zain KSA has made significant strides in driving progress and innovation. By harnessing the power of an integrated network ecosystem and cutting-edge technologies, Zain KSA has delivered an exceptional user experience with a comprehensive range of digital services and solutions. This approach has opened up new opportunities for the Company, the Saudi ICT sector and various service and production industries.

Zain KSA has implemented transformative changes by leveraging technology across all its sectors, departments and operations. This includes the introduction of online sales

channels, electronic applications and the optimization of daily network operations, all of which have contributed to improved service quality.

In parallel, securing a leading position in the Saudi ICT sector, Zain KSA has made significant strides in exploring adjacent markets, achieving a major milestone in fintech. The Company generated substantial revenue through Tamam, its fintech arm and the first fully digital micro-financing platform in Saudi Arabia, licensed by the Saudi Central Bank (SAMA). As part of its commitment to making a broader impact on the digital entertainment and esports sector, Zain KSA established PLAYHERA MENA. At the same time, the Company continued to pursue strategic adjacencies in fintech, healthcare, logistics and digital content to build sustainable, high-margin revenue streams beyond traditional telecom offerings.

Our major achievements

Growth in overall Company revenue

- Indicates an increase in the Company's total revenue across all services and markets. This growth reflects the effectiveness of strategic initiatives and enhanced service offerings.

Increase in EBITDA

- A significant improvement in EBITDA demonstrates operational efficiency and higher profitability across business units.

Rise in revenue from 5G services

- Shows the robust demand and monetization success of 5G offerings, emphasizing the Company's leadership in cutting-edge connectivity solutions.

Focus areas

- Monetize 5G SA capabilities through FWA, smart home, gaming, slicing, private 5G and IoT.
- Monetize infrastructure, fiber and advanced connectivity through platform-based and solution-led offerings.
- Scale in-house digital platforms and modernized BSS/ERP to accelerate time-to-market and reduce cost-to-serve.

Our major achievements

Revenue growth from Tamam

- Highlights the success of Tamam as a strong revenue contributor, reflecting its popularity and customer-centric service model.

Boost in revenue from Yaqoot

- Indicates Yaqoot's solid performance as a key product or service, demonstrating its ability to capture market share and attract customers.

Digital growth

- Scaled a digital-first operating model, embedding personalization and always-on monetization across the lifecycle.
- Enhanced digital customer experience via improved UX, onboarding, payments and service stability.

Focus areas

Growth of smart home and digital ecosystems

- Advance digital lifestyle penetration by expanding smart-home offerings and cloud solutions built on Zain KSA's extensive 5G network and strategic partnerships.

Accelerate positioning in the gaming and esports market

- Enhance the Company's gaming proposition through optimized low-latency experiences, ecosystem partnerships, and specialized services tailored to the gaming community through Zain gaming arm "ECT company".

New vertical revenue streams

- Pursue strategic adjacencies with a focus on InsurTech, logistics, and healthcare while selectively expanding into new areas to build sustainable, high-margin revenue streams beyond traditional telecom offerings.

Our Strategy continued

Stakeholders

Partner of choice: Excellence in CX

To ensure Zain KSA is the preferred partner for individuals, businesses and government entities, with a strong focus on enhancing the customer experience.

Zain KSA has strategically positioned itself as the preferred partner in the Kingdom, prioritizing the enhancement of customer experience. To expand its customer base, the Company has focused on diversity and improving service quality for both B2B and B2C segments through a customer-centric approach. This involves tailoring products and services to meet the needs and aspirations of customers at both personal and professional levels. In addition, Zain KSA has enhanced after-sales services, ensuring efficiency and high quality across multiple channels.

Zain KSA is also committed to delivering cutting-edge services to all 5G users, offering ultra-fast broadband connectivity and innovative digital applications that are set to transform everyday life. Through strategic partnerships, the Company has provided advanced solutions to the business and government sectors, leveraging one of the region's most developed 5G networks and a comprehensive ecosystem of premium cloud computing services through Zain Cloud.

These efforts have contributed to a significant increase in revenue from the government sector, along with a thriving portfolio of services in the business sector.



Our major achievements

Strategic government contract wins

- Secured strategic government and ministry contracts, including Smart Meter and Dual IPVPN, reinforcing national relevance

Strong cash collection

- Achieved strong cash collections across Government, Corporate, SME, and Semi-Government segments, demonstrating portfolio strength and cash discipline

Enterprise digital and ICT expansion

- Expanded enterprise digital and ICT portfolio across cloud, AI, cybersecurity, IoT, CDN, and international connectivity

Localization and public sector readiness

- Strengthened localization and public-sector readiness through digital certification and digital signature licensing

Focus areas

Trusted ICT partner

- Position Zain KSA as a trusted ICT and digital transformation partner for giga-projects and SMEs

Advanced digital services

- Scale cloud, cybersecurity (SOC-as-a-service), AI, IoT, and managed services beyond connectivity

Infrastructure and connectivity monetization

- Monetize infrastructure, fiber, and advanced connectivity through platform-based and solution-led offerings

Enablers

Future forward network and Brand culture

Leveraging the Company's identity, corporate culture and future network plans, to empower investors, consumers and employees.

Zain KSA has undergone a remarkable transformation in recent years, shifting from a traditional telecommunications provider to a leader in innovation and progress. The Company's brand is now closely associated with innovation, modernization, agility and the achievement of ambitious goals. This strong brand identity reflects the Company's core values, both internally and externally.

Zain KSA fosters a culture of innovation within the workplace, where the "Zain Family" collaborates to push boundaries and create groundbreaking solutions. The Company's investment in human resources has been a key driver of this

transformation. By empowering a dynamic, young Saudi workforce, Zain KSA has not only cultivated a collaborative, high-performance environment that supports growth, but has also developed a forward-thinking team at the forefront of accelerating digital transformation.

The Company's strategic roadmap is focused on expanding its flagship investments to build an integrated digital infrastructure, leveraging 5G-advanced technologies across the Kingdom and boosting a sustainable digital future. By developing and localizing cutting-edge technological capabilities, the Company will continue to empower individuals, businesses and government sectors through one of the most advanced 5G networks in the region, paving the way for a new era of next-gen digital applications and solutions.

Our major achievements

Advanced 5G SA and ecosystem readiness

- Achieved full 5G Standalone readiness (VoNR, SA roaming, gaming features) and secured key device certifications including Samsung 5G SA/VoNR and Apple Magnolia to support next-gen launches.

5G network expansion and coverage enhancement

- Expanded 5G footprint with 1,000+ new sites, ~700,000 additional population coverage, deployed 600 MHz FDD umbrella layer, and improved quality by ~50% in newly covered areas.

Awards, recognition and regulatory excellence

- Earned MENA digital awards 2025 (Yaqoot), SMARTIES KSA for digital marketing and CRM excellence, national recognition for CSR and talent development, and achieved full compliance with CST regulatory requirements.

Focus areas

5G SA use-case monetization

- Monetize 5G SA capabilities through FWA, smart home, gaming, network slicing, private 5G, and IoT.

Voice and ecosystem commercialization for ARPU growth

- Commercialize VoNR, roaming, and device ecosystem readiness to drive ARPU uplift and usage growth.

Branding and strategic visibility

- Prioritize high-impact, purpose-driven communication and sustainability platforms aligned with national and corporate priorities, while activating brand-building initiatives and strategic sponsorships to elevate visibility, awareness, and brand equity.

Employee experience and culture advocacy

- Promote employee culture across social media and all channels, support wellbeing and work-life balance and deliver a seamless end-to-end employee experience from onboarding to development through the Fusion system.




Alignment with Saudi Vision 2030

Empowering progress towards Saudi Arabia's vision

Zain KSA contributes to Saudi Vision 2030 by advancing inclusive connectivity, catalyzing digital growth and widening access to new economic and social opportunities. Its investments in infrastructure, digital platforms, Fintech solutions, youth development, gaming ecosystems and workforce inclusion help strengthen the Kingdom's competitiveness and improve quality of life. By aligning its strategic priorities with national ambitions, the Company supports thriving communities, economic diversification and technology leadership while helping people and enterprises participate confidently in a rapidly evolving future.



Vision 2030 goal	Improve local, regional and international connectivity	Develop the digital economy	Build an integrated digital financial system that supports growth and financial inclusion	Enhance business' social responsibility focus	Position Saudi Arabia as a global hub for gaming and esports	Improve readiness of youth to enter the labor market	Increase women participation in the labor market
 <p>Zain KSA strategic objective</p>	<ul style="list-style-type: none"> Expand 5G/FWA coverage to 95-97% of the population with advanced infrastructure Accelerate nationwide fiberization rollout to boost speed and reliability 	<ul style="list-style-type: none"> Redevelop all digital channels using Gen-AI Deploy and manage Zain's private cloud Modernize digital infrastructure across microservices, data and capacity Expand Yaqoot Wallet digital payments Data modernization and AI readiness AI at scale with continuous learning 	<ul style="list-style-type: none"> Expand e-wallet capabilities to include remittances Increase access to finance for women and youth in Tier 2/3 cities Implement AI-driven alternative credit scoring with FICO Launch micro credit card solutions for underserved segments Enable open banking services for freelancers and gig workers 	<ul style="list-style-type: none"> Expand the elderly digital inclusion campaign Enhance digital literacy for youth Increase employee involvement in sustainability initiatives Scale digital tools to reduce carbon footprint Expand the reforestation initiative 	<ul style="list-style-type: none"> Expand cloud gaming platforms Launch gaming tournaments and digital services Enhance 5G and fiber infrastructure to support gaming and esports 	<ul style="list-style-type: none"> Develop tailored internship and mentorship programs Create mentorship programs for new joiners Cross-functional training and rotational programs Maximize e-learning platforms to build skill-sets and knowledge 	<ul style="list-style-type: none"> Increase the percentage of youth and female hiring to 30% of new hires Incorporate inclusive facility planning (accessible space for PWD and gender-sensitive facility) Promote internal innovation through recognition and reward strategy (diversity and inclusion) Support employee well-being and work-life balance
<p>Zain KSA achievements in 2025</p>	<ul style="list-style-type: none"> Achieved 66.7% nationwide 5G coverage Delivered seamless network performance during Ramadan and Hajj 1446H Advanced 5G Standalone readiness 	<ul style="list-style-type: none"> Scaled Zain App as a core commercial channel with 8.5 million active users and ₪ 1.1 billion in digital payments Established a strong enterprise digital platform supporting 3,000 companies with a 4.6 app rating Delivered end-to-end digital journeys across activation, payments, add-ons, CVM offers and visitor onboarding 	<ul style="list-style-type: none"> Delivered record monthly collections (₪ ~98-100 million), reinforcing strong cash generation Sustained market leadership with 80,000 customers and ₪ 879 million in sales, supported by scale and brand strength Implemented AI-powered underwriting (FICO, WPS), strengthening revenue growth and risk quality Improved risk assessment and overall lending portfolio quality Introduced new pricing schemes, improving customer conversion and revenue growth Scaled digital acquisition to 6.1 million app downloads and ~490,000 eligible users, expanding the revenue funnel 	<ul style="list-style-type: none"> Launched an e-waste recycling initiative with CST and partners, promoting responsible device disposal Delivered disability inclusion programs and data privacy awareness initiatives, strengthening digital trust Recognized with third place for Best ESG and Sustainability Report (MEIRA), advancing community impact initiatives 	<ul style="list-style-type: none"> Launched new revenue streams in cloud gaming, digital trading and esports activations Rebranded and repositioned PlayHera to a modern, competitive gaming identity Completed shareholding restructuring and strengthened governance 	<ul style="list-style-type: none"> Trained 207,330 young men and women through the Wa'ad program Trained 410 students through the Women in Tech initiative Enabled 29,000 young people to gain digital skills Enrolled 170,000 recent graduates in the Evolve program 	<ul style="list-style-type: none"> Achieved 36.4% representation of women in executive leadership Ensure that 45% of new hires are women Increased women's share of total promotions to 33%
<p>Zain KSA 2026 goals</p>	<ul style="list-style-type: none"> Expand 5G coverage nationwide Increase fiber coverage for households and enterprises Grow the total number of deployed 5G sites across the Kingdom 	<ul style="list-style-type: none"> Increase data quality score Reduce time to market Enhance business operation efficiency Increase AI model performance for cost savings and revenue uplift Improve cost and resource utilization Increase number of wallet users 	<ul style="list-style-type: none"> Improve monthly customer satisfaction (CSAT) scores throughout 2026 Contribution in EBIDTA margin and revenue growth 	<ul style="list-style-type: none"> Expand digital inclusion programs for elderly and youth Expand reforestation and environmental impact initiatives Strengthen ESG audits and compliance activities 	<ul style="list-style-type: none"> Scale cloud gaming and digital gaming services Launch major esports tournaments and partnerships Enhance gaming experience through higher 5G/fiber utilization 	<ul style="list-style-type: none"> Design and implement tailored internship and mentorship programs to support business needs and empower youth Increase employee participation and skill development through cross-functional and rotational learning opportunities 	<ul style="list-style-type: none"> Enhance recruitment efforts to balance the proportion of youth and female hires within the organization Improve the inclusivity and accessibility of workplace facilities through updated planning and design practices

Market Overview

A shifting global economic landscape

The global economy moved through 2025 with steady but moderated momentum. Growth softened slightly as high public debt, persistent geopolitical tensions and tighter financial conditions weighed on sentiment. Advanced economies expanded at a slower pace than emerging markets, where reform and consumption-driven demand provided a relative lift. Trade flows increasingly reflected a world gravitating toward regional blocs and “friend-shoring”, reshaping investment patterns and encouraging nations to secure digital, energy and infrastructure resilience.

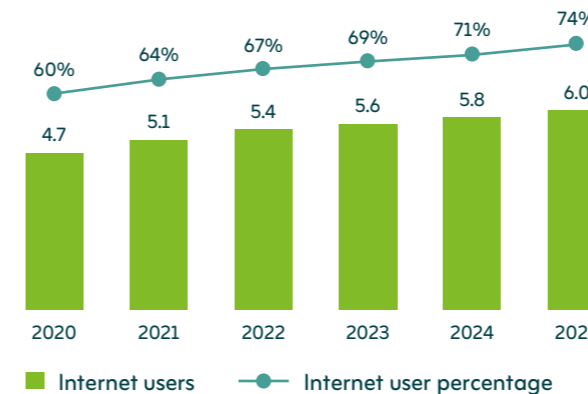


Digitalization driving global value creation

Connectivity continued to define economic competitiveness, human development and productivity. The number of people online crossed a milestone, rising toward three-quarters of the world’s population with about six billion people globally. That implies roughly 2.2 billion people remain offline in 2025, highlighting persistent digital divides between high- and low-income markets.

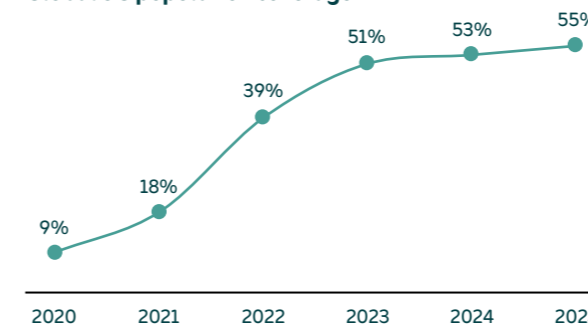
Fifth-generation mobile networks reached more than half of the global population as subscriptions accelerated, signaling continued appetite for high-speed connectivity. The convergence of cloud, automation and artificial intelligence became central to national priorities, with mobile technologies contributing meaningful economic value and becoming an engine of jobs, commerce and innovation.

Zain KSA expanded the 5G footprint across the country and achieved 66.7% nationwide 5G coverage.



Source: ITU / ITU

Global 5G population coverage



Global population online vs offline and global 5G population coverage:

Around **6 bn** people are online

Around **2.2 bn** people remain offline

Around **55%** of the world’s population has 5G coverage.

Around **77%** of Saudi population has 5G coverage (134 provinces)

Source: NTP Arab News

Zain KSA covers **66.7%** of Saudi population with 5G

Market Overview continued

Industry transformation reshaping telecom value pools

Telecommunications matured beyond basic mobile access and shifted toward intelligence-driven infrastructure and service models. Operators emphasized monetizing their networks rather than expansion alone. Three industry themes dominated the year. First, fixed wireless access gained scale as a mainstream alternative to fiber in markets where physical rollout remains costly.

Second, cloud-native programmable networks introduced new pathways for managed services, network slicing and enterprise platforms. Third, AI adoption surged across service operations, customer engagement, cybersecurity and predictive maintenance. These trends opened revenue pools in cloud, enterprise digitization, cybersecurity, IoT, Fintech and edge computing, while demanding sustained investment in spectrum, fiber backbones and data centers.

Regional momentum in the Middle East

Economic performance in the Middle East benefited from recovering oil output, resilient non-oil sectors and rising public investment. Governments accelerated diversification into tourism, logistics, financial services and digital infrastructure. The Gulf region advanced its positioning as a competitive digital economy hub, supported by cross-border investments, cloud regulatory frameworks and the buildout of next-generation connectivity. This environment created demand for robust telecom infrastructure, cloud services and secure digital platforms capable of supporting national transformation agendas.

Saudi Arabia's growth cycle strengthened

Saudi Arabia entered 2025 with expanding non-oil activity and investment implications from Vision 2030. Although earlier oil-production adjustments had tempered growth period, the economic cycle regained traction. Rising public investment and giga-project execution boosted business confidence, generating new requirements for enterprise connectivity, smart-city infrastructure and advanced ICT capabilities. A fast-growing private sector also attracted global interest, supported by reforms that encouraged entrepreneurship, capital flows and digital innovation.

Demographic and behavioral change accelerating digital demand

Saudi Arabia's young and highly connected population continued to influence market shifts. High smartphone and social media usage shaped consumer expectations for speed, seamless digital channels and personalized services. Adoption of e-commerce, digital payments and open banking expanded across urban and secondary cities alike. These behaviors encouraged investment in cloud, AI, Fintech and automation, while reinforcing the role of telecom operators and digital providers as ecosystem builders in an increasingly cashless and digital society.

A dynamic Saudi ICT market

The Kingdom maintained its position as a rapidly advancing digital market, delivering high mobile internet speeds and near-universal internet penetration. Subscriber bases grew, reflecting population dynamics and competitive product offerings. Public and private sector digital-transformation programs accelerated as enterprises modernized infrastructure, migrated workloads to cloud environments and strengthened cybersecurity and AI capabilities. Vision 2030 financial-inclusion initiatives supported Fintech scale-up, while consumer demand extended into entertainment, gaming, esports and immersive content. These elements shaped a vibrant sector driven by data consumption, service innovation and infrastructure intensity.

Priority areas reshaping sector fundamentals

Three forces influenced the trajectory of sector performance in 2025. First, nationwide expansion of 5G and fixed wireless access created new penetration opportunities and encouraged higher usage intensity. Second, large enterprises and government entities accelerated digital modernization to improve efficiency and resilience, driving investment in cloud, automation and analytics. Third, national policy emphasis on cashless transactions and inclusion stimulated Fintech adoption and the democratization of access to financial services. Together, these forces supported sustained market demand for telecom-enabled capabilities and digital innovation.

Saudi market size vs subscriber growth and median mobile speed rankings:

Market size

₹ 180 bn

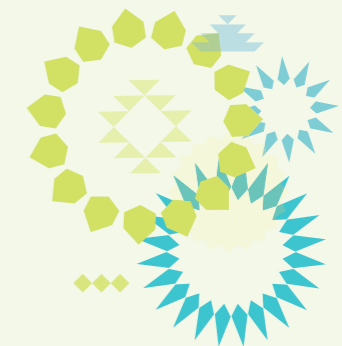
Mobile subscribers

68.2 m

Median mobile speed

129 Mbps
(4th among G20 - 2024)

Source: CST / Updated December 2025 (216.03Mbps) Source: Speedtest



Enterprise Risk Management

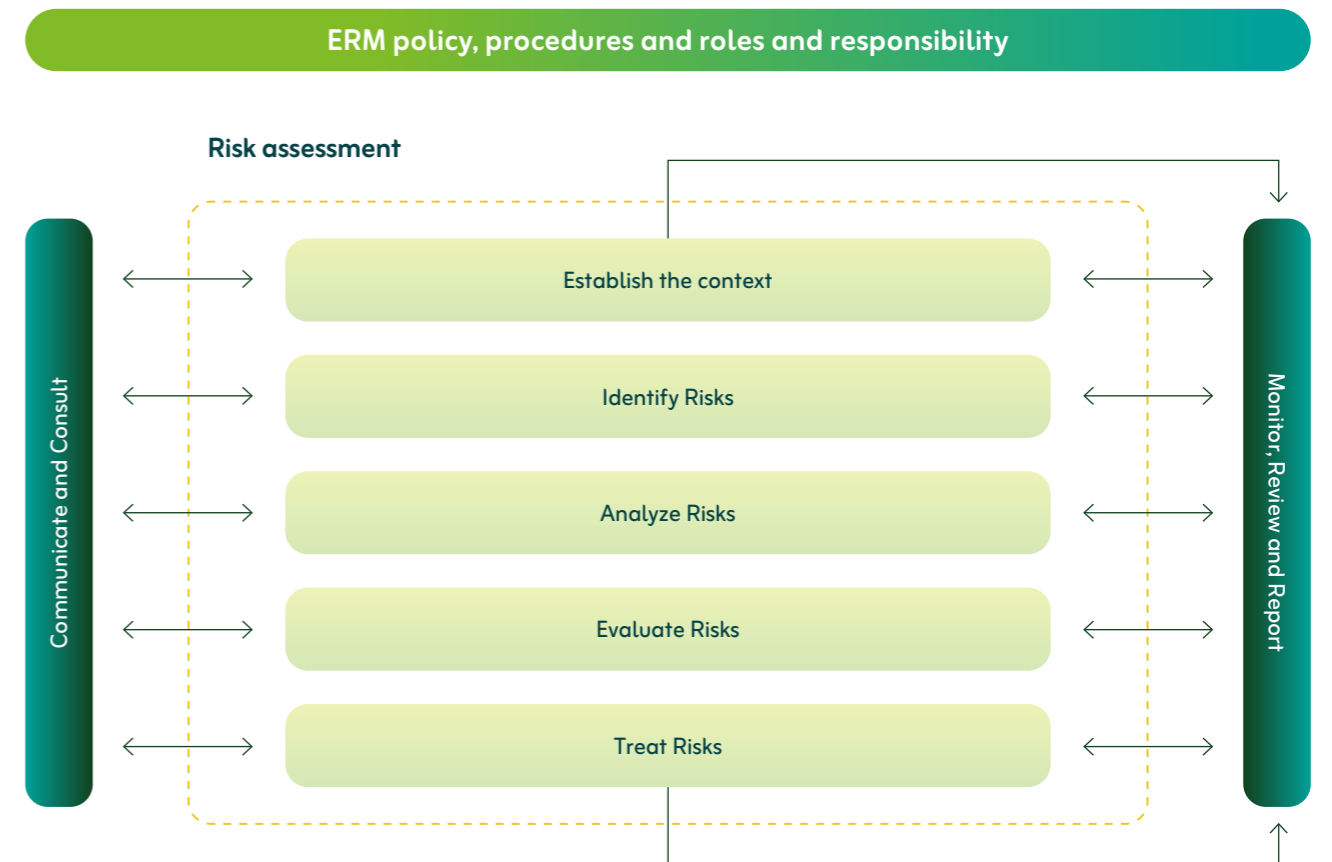
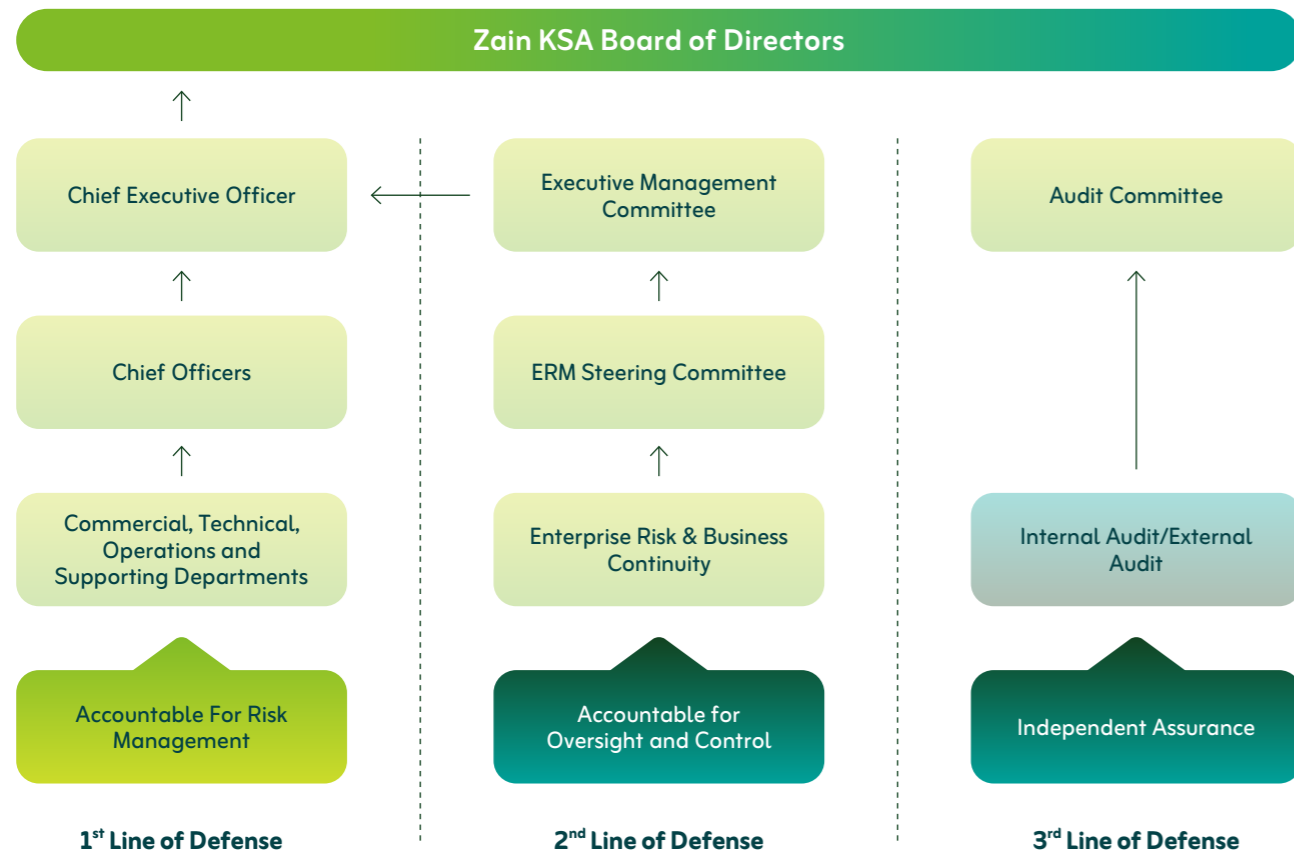
Zain KSA recognizes that effective Enterprise Risk Management (ERM) is essential to achieving its strategic objectives and maintaining operational resilience. The telecommunications sector continues to evolve rapidly, with increasing data usage, changing customer expectations and competitive and regulatory pressures shaping the operating environment. In this context, Zain KSA focuses on identifying and managing risks that could impact its performance, service delivery and long-term sustainability.

Enterprise Risk Management

The Enterprise Risk Management (ERM) function provides a structured and proactive approach to identifying, assessing and managing risks across Zain KSA. Its core responsibilities include maintaining the ERM framework, facilitating risk assessments, monitoring key risks and supporting effective mitigation planning in line with ISO 31000:2018 standards. The function continues to evolve through improvements to risk reporting, cross-functional coordination and analytical capabilities to support decision-making and the changing needs of the business.

Three Lines of Defense model

Zain KSA has adopted a “3 Lines of Defense” model to effectively control and manage its risks. The first line of defense consists of all departments accountable for managing their day-to-day activities and associated risks. The second line of defense relates to the oversight by the Risk Management & Business Continuity (RM&BC) department, Executive Management and the Audit Committee. The third line of defense is provided by Internal Audit and external parties providing independent assurance of the effectiveness of risk management.



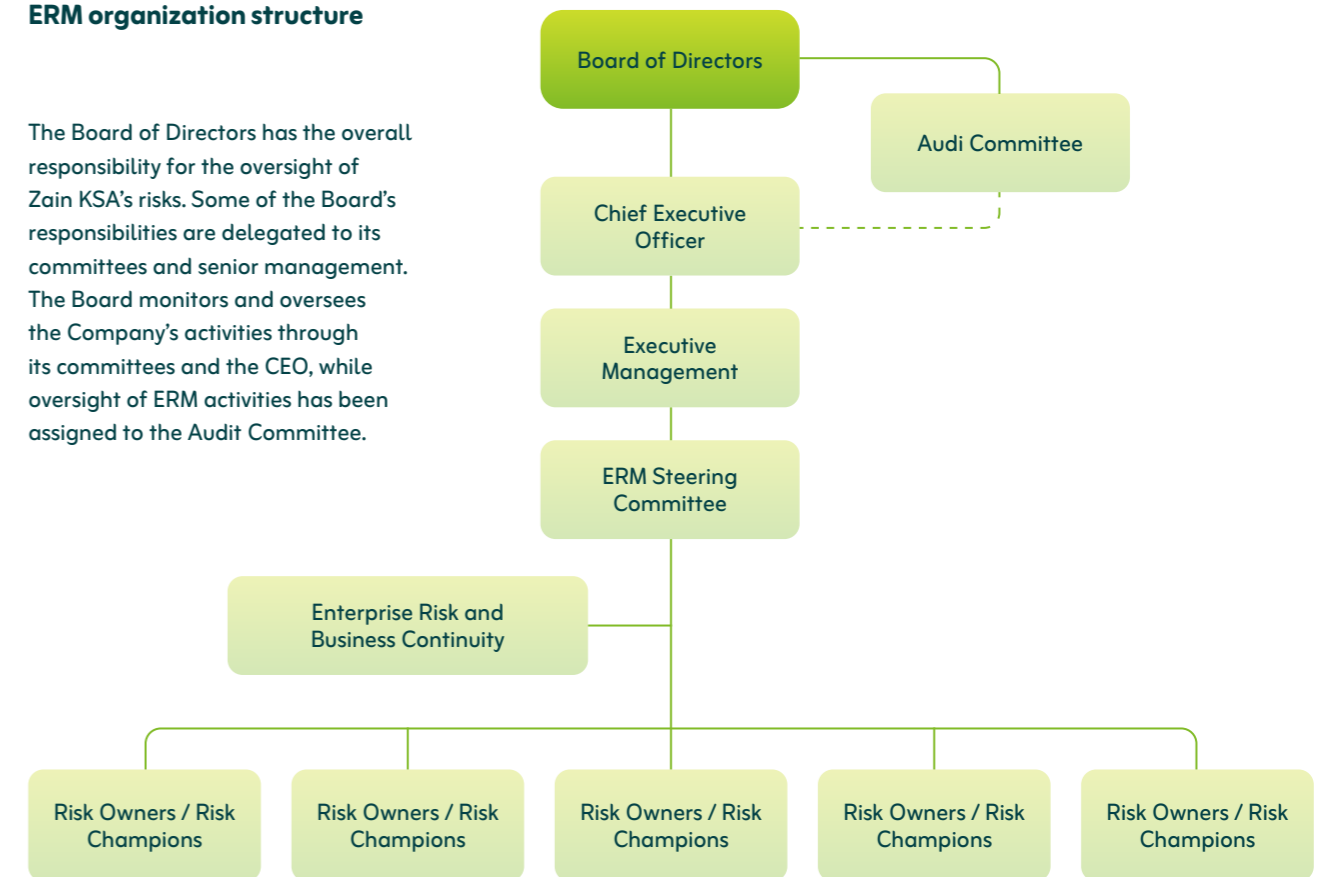
Enterprise Risk Management continued

Impact Rating	Likelihood of Occurrence				
	Rare	Unlikely	Possible	Likely	Almost Certain
Very High	Medium	High	Very High	Extreme	Extreme
High	Medium	Medium	High	Very High	Extreme
Moderate	Low	Medium	Medium	High	Very High
Minor	Low	Low	Medium	Medium	High
Insignificant	Low	Low	Low	Low	Medium

Level of Risk	Description	Responsive Action
Extreme	Inability to achieve business objectives	Immediate attention required to develop new mitigation plans and stakeholder engagement (board level, audit committee) to ensure the treatment level is acceptable.
Very High	Constrained ability to meet business objectives	Regular monitoring of risk and/or treatment required aligned with the review of efficiencies and effectiveness by executive management.
High	High impact on the achievement of business objectives	Regular monitoring of risk and/or treatment required aligned with the review of efficiencies and effectiveness by senior management.
Medium	Limited impact on the achievement of business objectives	Attention required to ensure the appropriate level of mitigation control are in place and periodic review of effectiveness to be carried out by the management team.
Low	Managed by routine procedures	Risks are mitigated but efficiencies and effectiveness to be reviewed by the management team periodically.

ERM organization structure

The Board of Directors has the overall responsibility for the oversight of Zain KSA's risks. Some of the Board's responsibilities are delegated to its committees and senior management. The Board monitors and oversees the Company's activities through its committees and the CEO, while oversight of ERM activities has been assigned to the Audit Committee.



Audit Committee

The Audit Committee is responsible for oversight and assisting the Board in discharging its duties relating to ERM. It provides oversight of the ERM program and guidance and advice to the management on risk management matters.

They review, prioritize and finalize risks that matter and provide needed support, resources and guidance on the ERM program. They offer advice, including support to the CEO in the decision-making process and ensure ERM information is disseminated across Zain KSA.

Executive Management

Executive Management is responsible for the management of the organization on a day-to-day basis and for establishing and maintaining a system of internal controls that may include policies, procedures and processes designed to identify and manage risks, business continuity and crisis management as well as for implementing and maintaining appropriate risk management, business continuity and crisis management principles, policies and processes.

ERM Steering Committee

The Enterprise Risk Management Steering Committee (ERMSC) is established by the CEO with the overall objective and purpose to assist Zain KSA management to identify, manage and mitigate risks that could impact the achievement of the Company's business objectives.

The ERM Steering Committee is the oversight body of the ERM program and is responsible for ensuring the program delivers on its stated objectives.

Enterprise Risk Management continued

Enterprise Risk & Business Continuity

Enterprise Risk Management & Business Continuity is responsible for maintaining an effective ERM framework, coordinating and facilitating risks, creating awareness, monitoring and reporting on risks to various stakeholders both internally and externally.

Risk owners

Risk owners are senior management personnel who hold the position of business line or department or functional heads. They shall take overall ownership for development and implementation of mitigation plans to reduce or manage the risk exposure for Zain KSA. If the risk owner is not the personnel responsible for the corresponding mitigation plan, the relevant department or functional head shall be the mitigation plan owner. Each risk owner will receive support from senior or middle management colleagues and be supported by a team, which will work toward implementing action steps in a concerted and structured manner. The risk owner will be responsible for the actual coordination and management of risks. Their key role and responsibilities shall comprise:

1. Identification of risks on a continuous or annual basis or other convenient forums
2. Development of mitigation plans with action steps and timelines
3. Monitoring of the implementation team against action steps and implementation timelines
4. Providing operational expertise and inputs, if required
5. If the risk owner is not the mitigation plan owner, it will be the responsibility of the mitigation plan owner to update the risk owner on the status and details of the mitigation plan as per agreed schedules

To fulfil the abovementioned tasks satisfactorily, it will be essential for the personnel being nominated to the roles of risk owners to have:

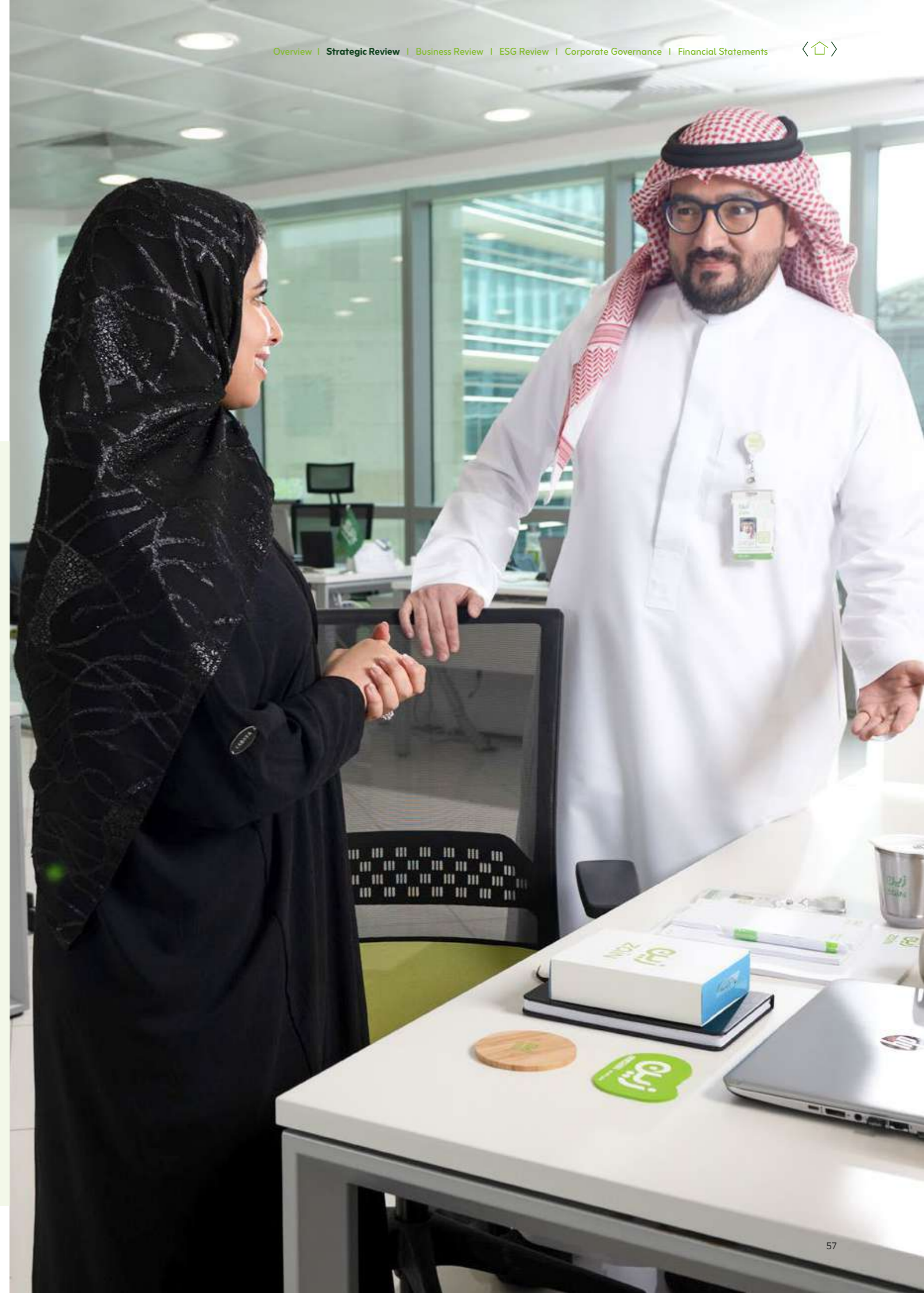
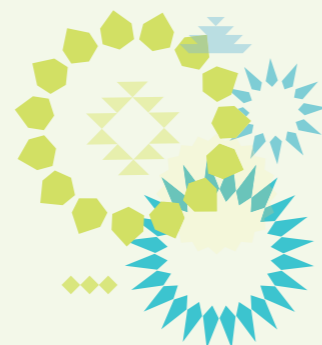
1. A direct linkage with the risk
2. Empowerment to take operational decisions and manage staff capable of implementing mitigation plan action steps
3. An efficient team available to execute and manage the implementation of action steps
4. Analytical capabilities and strong communication and facilitation skills

Risk champions

Risk champions are employees nominated by heads of divisions who act as nodal points to oversee risk management activities within the division or department. The risk champion will report on risk management activities and update the Head of Enterprise Risk Management & Business Continuity. They will facilitate and support the ERM initiatives within the respective divisions or departments. The risk champion, with their exposure to risk management activities, will assist the relevant risk owners whenever required.

Key enterprise risk management in 2025

- Retained ISO 22301:2019 certification, reinforcing resilience and continuity readiness
- Enhanced the ERM framework in line with ISO 31000:2018 standards
- Strengthened visibility and oversight of material risks across the organization
- Implemented targeted mitigation actions to address priority risk areas
- Improved risk reporting and governance to support executive decision-making
- Advanced business continuity planning and testing for critical services



Enterprise Risk Management continued

Risk	Measures taken in 2025	Planned initiatives/outlook
<p>Suboptimal customer experience</p>	<p>Zain KSA continued its focus on enhancing customer experience as a key differentiator in a highly competitive market, particularly amid elevated network-related complaints and external benchmarks. During the year, the Company advanced its digital transformation through the successful implementation of a new BSS for B2C, with ongoing efforts to realign customer journeys, digitize internal processes and enhance touchpoint experiences.</p> <p>The Company also advanced initiatives to increase digital penetration, revamp digital channels and address performance challenges in selected areas, including gaming and overall digital experience. These efforts reflect Zain KSA's continued commitment to improving service quality, meeting evolving customer expectations and reinforcing its market position.</p>	<ul style="list-style-type: none"> Increasing digital penetration by expanding adoption of digital platforms and services Improving usability, reliability and consistency across digital touchpoints Enhancing overall digital experience by streamlining end-to-end customer journeys Optimizing gaming platforms and content performance
<p>Successful implementation of BSS transformation program</p>	<p>In 2025, Zain KSA continued its efforts to implement a new BSS as an enabler for enhancing its product portfolio, improving digital customer experience and accelerating B2C digitization. The program faced some challenges, including extended time-to-market, an increased volume of change requests that extended delivery time and occasional outages during new launches that affected customer experience. Additional pressures emerged from system feasibility limitations.</p> <p>To mitigate these risks, Zain KSA strengthened governance and oversight, introduced additional transformation KPIs and implemented a new campaign management system with advanced automated targeting and real-time triggering capabilities.</p>	<ul style="list-style-type: none"> Reviewing current BSS operating model to ensure alignment with long-term business and digital transformation objectives Identifying gaps, inefficiencies and enhancement opportunities within the BSS ecosystem Aligning BSS capabilities with evolving product, pricing and monetization strategies Enabling scalable and flexible revenue models to support future growth Improving customer lifecycle management, billing accuracy and service agility Strengthening BSS support for personalized and digital-first customer journeys Defining a clear roadmap for upgrades, integrations and capability expansion Ensuring BSS platform remains adaptable to changing market and regulatory conditions

Strategic risks

Risk	Measures taken in 2025	Planned initiatives/outlook
<p>B2C growth including digital</p>	<p>Zain KSA continued to prioritize B2C growth, including the prepaid and postpaid segments, as a key driver of market share and revenue. While year-on-year improvements were recorded in both prepaid and postpaid gross additions, profitability and revenue remained under pressure due to higher international costs, increased commissions, competitive dynamics and a decline in Hajj visitors to the Kingdom. Fiberization progress has been slower than planned, limiting the Company's ability to meet growing demand for high-speed, low-latency digital services and effectively compete with FWA solutions.</p> <p>To mitigate these risks, Zain KSA expanded points of sale through compliant partnerships, developed new prepaid and postpaid propositions, strengthened partner and wholesaler management, optimized gross additions from a CVM perspective and established a commission model to balance partner and Company profitability.</p>	<p>Initiatives comprise of utilizing enhanced BSS capabilities to enable innovative, flexible and scalable product offerings:</p> <ul style="list-style-type: none"> Designing customer-centric and configurable offerings tailored to evolving market needs Enabling bundling, personalization and dynamic pricing through advanced BSS functionality Identifying and prioritizing opportunities to generate new revenue streams from data assets Using BSS-driven insight to improve customer journeys and service responsiveness
<p>B2B market competition</p>	<p>Zain KSA continues to navigate a highly competitive B2B market, facing competition from other operators, ISPs and G2G players, along with price pressures and limited fiber infrastructure, which constrain pricing flexibility. Additional challenges include reduced participation in government tenders, delayed collections from B2B customers, suspension of managed services for corporate clients and limitations in some system capabilities affecting go-to-market initiatives and reporting.</p> <p>To mitigate these risks, Zain KSA focused on expanding B2B and enterprise solutions, identifying cross-sector value propositions, revamping pricing models, strengthening partnerships to provide end-to-end differentiated offerings and enhancing collections through engagement with new collection agencies.</p>	<ul style="list-style-type: none"> Planned initiatives include fiberization expansion, improving B2B customer journey and exploring alternative solutions

Strategic risks

Enterprise Risk Management continued

	Risk	Measures taken in 2025	Planned initiatives/outlook
Strategic risks	Data center strategy to manage growth	<p>Zain KSA continued to advance its data center strategy to meet growing internal and enterprise demand, recognizing that high utilization levels can impact redundancy, resilience, performance and overall thermal and power stability. Without timely expansion, rising capacity requirements may lead to service constraints, lost market opportunities and potential customer attrition. Delays in executing planned upgrades may also limit revenue growth and reduce the Company's ability to monetize future digital investments.</p> <p>To mitigate these risks, Zain KSA strengthened its data center management through optimized space, power and storage utilization, decommissioning and modernization programs and the development of a new data center through strategic partnerships. Planned initiatives also include expanding data center capacity to host internal workloads, enhancing redundancy and addressing existing infrastructure limitations. These actions underscore the Company's commitment to supporting digital growth, maintaining operational resilience and safeguarding its competitive position in the evolving digital infrastructure landscape.</p>	<ul style="list-style-type: none"> Optimizing space, power and storage utilization to improve efficiency and capacity management Decommissioning obsolete or underperforming assets Modernizing data center infrastructure to improve reliability, efficiency and scalability Establishing a new data center through strategic partnerships Expanding data center capacity to host growing internal workloads Strengthening redundancy across critical systems Addressing existing infrastructure limitations to reduce operational risk Enabling sustained digital transformation and service expansion
	Monetization of investment in network	<p>Zain KSA continues to invest strategically in its network to strengthen competitiveness as the third operator in Saudi Arabia, focusing on access expansion, fiber connectivity and 5G SA. Market competition and pricing pressure have impacted margins, affecting the Company's capacity to further fund Capex and meet shareholder expectations.</p> <p>In response, Zain KSA prioritizes investments linked to regulatory requirements and network needs, rigorously evaluates business cases, leverages new prepaid and postpaid offerings, implements revenue uplift programs and collaborates with other operators on infrastructure sharing.</p>	<ul style="list-style-type: none"> Developing and commercializing advanced 5G SA use cases Enabling new enterprise and consumer services leveraging ultra-low latency and network slicing Using advanced analytics to optimize network performance and resource utilization Applying data-driven insight to reduce operating costs and improve efficiency Aligning capital investments with high-value use cases and demand patterns Leveraging analytics to improve service quality, reliability and responsiveness Supporting differentiated and value-added customer offerings

	Risk	Measures taken in 2025	Planned initiatives/outlook
Compliance risks	Evolving regulatory regime	<p>Zain KSA continues to navigate an evolving regulatory environment, with recent changes in CST leadership creating uncertainty and potential shifts in enforcement priorities. Key regulatory challenges include new frameworks on business continuity, access to locally hosted internet content, coverage and mobile service standards and ongoing consultations on FWA speed and market dominance, which may impact competitiveness and profitability.</p> <p>To mitigate these risks, the Company maintains a robust external stakeholder management strategy, engages proactively with regulatory bodies, responds promptly to regulatory consultations and undertakes network optimization initiatives to meet coverage and speed requirements. These measures demonstrate Zain KSA's continued emphasis on compliance excellence, forward-looking engagement with regulators and the assurance of uninterrupted delivery of its business objectives.</p>	<ul style="list-style-type: none"> Building constructive relationships with key government and industry stakeholders Responding promptly and effectively to regulatory consultations Ensuring timely alignment with new and amended regulatory obligations Network optimization initiatives
	Data governance and privacy	<p>Zain KSA continues to strengthen its data governance and privacy framework in line with the Personal Data Protection Law (PDPL) and NDMO guidelines, addressing risks related to unclear data ownership, weak governance structures and potential delays in project execution due to staffing gaps.</p> <p>The Company has designed and rolled out a comprehensive data protection and governance framework, established mandatory policies and procedures, identified and trained IT and data stewards and held weekly steering committee meetings to oversee compliance.</p>	<ul style="list-style-type: none"> Planned initiatives include fulfilling mandatory roles under applicable regulatory guidelines and establishing a dedicated data governance function to oversee Company-wide data requirements.

Enterprise Risk Management continued

Risk	Measures taken in 2025	Planned initiatives/outlook
<p>Information security and cyber risks</p>	<p>Zain KSA continues to prioritize cybersecurity as a critical risk, responding to increasing threats posed by rapid technological advancements, digital innovation, cloud adoption and regional geopolitical developments that have elevated DDOS attacks on critical infrastructure.</p> <p>As part of its response, Zain KSA conducts regular security assessments and penetration testing, administers phishing simulations, maintains comprehensive risk assessments for applications and provides employee cybersecurity training and awareness programs.</p>	<ul style="list-style-type: none"> Planned initiatives include implementing Group-wide cloud-based DDOS mitigation, enhancing Cyber Defense Center and strengthening telecom security measures
<p>Talent management</p>	<p>Zain KSA continues to reinforce its strategic focus on talent management amid growing demand for skilled resources driven by Saudi Vision 2030 and the rapid pace of digital transformation. The Company faces high attrition risks as top talent is increasingly attracted to government, semi-government and other digitally transforming sectors.</p> <p>To mitigate these risks, Zain KSA conducts forward-looking skills gap assessments, restructures the organization to balance internal reskilling with targeted external hiring and partners with universities to attract talent with in-demand skills. Initiatives such as the Evolve program target digital and technology talent with compelling value propositions, while retention measures for critical employees include career path development, learning academies, engagement programs, enhanced medical benefits and performance-based incentives. These measures reinforce Zain KSA's commitment to sustaining workforce readiness, preserving institutional knowledge and ensuring operational efficiency in a competitive talent landscape.</p>	<ul style="list-style-type: none"> Initiatives such as skills gap assessments to anticipate future capability requirements Aligning workforce planning with evolving business and technology needs Organizational restructuring and talent mix optimization Implementing Evolve program to attract high-caliber digital and technology talent through a compelling employee value proposition Developing structured learning pathways and learning academies Running employee engagement programs to strengthen commitment and motivation Preserving institutional knowledge through retention and development initiatives

Operational risks





ﷲ 6.9 bn (+6%)

Zain Consumer
Revenue

Across Zain Consumer, Zain Business, Tamam and Zain KSA's investments and subsidiaries, this year delivered tangible progress and results.

03

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Zain Consumer

Driving commercial acceleration and stronger customer connection

2025 was a year defined by commercial momentum, wider channel reach and a customer-first mindset that shaped every operational decision. The Consumer Unit sustained a trajectory of growth driven by stronger gross additions, channel expansion and a sharper value proposition across mobile and home services. This performance highlighted its role as a key engine in Zain KSA's broader commercial strategy, strengthening its position in a highly competitive market.

During the year, commercial acceleration was supported by a more agile go-to-market model, enabling the Consumer Unit to deliver stronger uptake across mobile, home and indirect channels. Zain KSA also expanded and differentiated its portfolio through targeted promotions, segmented offers and lifestyle-led partnerships, reinforcing its evolution from a traditional telecom operator to a broader digital lifestyle provider. Strategic collaborations with global and local brands – including the customized router partnership with Inter Milan and the MDLBEAST lifestyle partnership – helped Zain KSA deliver richer experiences that resonated with youth, families and entertainment-focused segments.

Evolving strategic focus

The strategic focus of the Consumer Unit sharpened around retail expansion, digital penetration and a more cluster-driven commercial model. The retail footprint grew meaningfully through more than 22 new shops and expanded partnerships with leading brands such as Jarir and Rajhi Bank, improving market accessibility and acquisition efficiency. These partnerships strengthened Zain KSA's distribution backbone and ensured wider availability of both mobile and home solutions across high-traffic retail destinations.

Geographically, the Consumer Unit maintained nationwide presence but shifted execution to a more granular, cluster-based approach. This included prioritized activity in expat-dense areas, seasonal locations, labor camps, malls and event-driven hubs where commercial yield and gross additions efficiency were highest. By tailoring deployment and marketing intensity to these micro-markets, the unit captured greater value from demand pockets and aligned commercial activity with evolving demographic and behavioral patterns.

Demonstrating commercial strength

The Consumer Unit demonstrated strong performance across several financial and operational indicators, highlighting its contribution to Zain KSA's broader strategic progress. Gross additions reached historical highs across mobile, home and POS channels, reflecting effective segmentation and improved product-market fit. Indirect channels became a central acquisition engine, with POS partners contributing a significantly larger share of new customers and driving more diversified channel economics.

Commercial performance was reinforced by stronger segmented offers across prepaid, postpaid and home portfolios, which improved ARPU quality and expanded Zain KSA's share in priority segments. Digital sales also continued to rise, strengthening unit economics and demonstrating the scalability of Zain KSA's digital-first approach. Customer sentiment improved as NPS strengthened and churn stabilized despite the intensity of market competition, underscoring the resilience of the Consumer Unit's customer experience initiatives.

Delivering a standout performance

The Consumer Unit delivered strongly against its 2025 targets across home growth, POS expansion, gross addition recovery and digital penetration. Revenue and ARPU performance remained largely on track, supported by greater product differentiation and stronger channel productivity. These achievements reflected disciplined commercial management and a data-driven approach to demand forecasting, pricing and promotion planning.

Churn containment improved but remained partially affected by aggressive competitor discounting and tactical market pricing. Zain KSA mitigated these pressures through targeted retention initiatives, enhanced customer journeys and lifestyle-led offers that bolstered customer stickiness. The unit's ability to deliver growth alongside margin protection reinforced its strategic discipline in navigating a competitive environment.

Strengthening the portfolio through new launches and partnerships

The Consumer Unit expanded its offering through several new initiatives and partnerships that enhanced both reach and relevance. Retail partnerships with Jarir created additional acquisition pathways, while ARB collaborations strengthened loyalty offerings through the Mokafaa program and complementary solutions. Enhanced 5G home and fiber speed tiers provided customers with greater choice and positioned Zain KSA's home portfolio for sustained growth.

Lifestyle and entertainment collaborations added further differentiation. Exclusive Inter Milan and Saudi-themed routers linked Zain KSA's connectivity services to global sports culture and local events branding. The MDLBEAST partnership deepened Zain KSA's connection with young, digitally engaged audiences, while expanded OTT offerings through Disney created richer content experiences. Segment-specific mobile propositions for youth, gamers, families and expatriates added granularity to the commercial strategy, supported by new service enhancements such as Zain Clinic and the Zain chatbot.

Building a customer experience anchored in simplicity and responsiveness

Customer experience improvements were central to the Consumer Unit's 2025 performance. Home service operations were strengthened through faster response times and tighter resolution SLAs, which elevated reliability and satisfaction scores in a high-growth portfolio.





Zain Consumer continued

Retail experience enhancements were driven by stronger agent enablement across POS and branch networks, ensuring more consistent service delivery. Segment-based experience models further improved relevance for priority customer groups. Continuous feedback loops through VOC, NPS tracking and behavioral analytics informed a dynamic enhancement roadmap, enabling the Consumer Unit to address friction points proactively and maintain strong customer advocacy.

In late 2025, Zain KSA was recognized at the Saudi Customer Experience Awards 2026, winning both a Gold – Best CX in Retail and Silver – Best Measurement in CX.

Consumer Unit in 2026

The Consumer Unit's 2026 agenda is centered on reinforcing Zain KSA's position as a customer-centric, digitally driven operator. A more data-led marketing engine will guide targeted value propositions, sharper segmentation and sustained brand relevance, particularly in youth and innovation-focused segments. These initiatives aim to deepen engagement, elevate lifetime value and increase loyalty in a competitive landscape.

Sales strategy will advance toward fully integrated omnichannel experiences, combining retail, online and partner-driven journeys into a unified customer pathway. Digital priorities include expanding self-service capabilities, enhancing app-led interactions and embedding AI and automation to remove friction and personalize experiences at scale. Through these initiatives, the Consumer Unit will strengthen its role as a digital lifestyle enabler and support Zain KSA's long-term commercial and customer experience ambitions.



Zain Business

Expanding enterprise impact across a transforming economy

The Business Unit's momentum in 2025 reflects a step change in how enterprises adopt and scale digital capabilities across the Kingdom. The year saw strong digital revenue growth, rapid uptake of AI, cloud and cybersecurity solutions and meaningful improvements in enterprise experience driven by operational discipline and technology-led delivery. These advances positioned Zain Business as a national enabler of digital transformation, supporting government programs and enterprise modernization in line with Saudi Vision 2030.



The strategic focus of the Business Unit in 2025 centered on high-value digital services that address the evolving needs of enterprises across Saudi Arabia. AI, cloud, cybersecurity, managed services and IoT formed the core of this shift, aligning the Business Unit with national priorities and the accelerating pace of digital adoption across government, healthcare, retail, industry and financial services.

This focus was strengthened by expanding the Business Unit's geographic footprint and deepening engagement with government entities and strategic sectors. By enhancing presence in high-growth regions, these changes created a stronger foundation for sustained growth in a competitive and rapidly advancing technology landscape.

Delivering against ambitious targets

The Business Unit entered 2025 with targets centered on growing B2B revenue across connectivity, ICT, cloud, security and IoT while increasing the share of digital services relative to traditional telecom offerings. It also aimed to broaden enterprise and government acquisition, deepen SME penetration, strengthen IoT connections and elevate customer experience through better NPS, SLA performance and delivery timelines.

Most of these objectives were achieved due to strong ICT adoption, growing national digitalization programs and expanded AI and cloud services. Customer experience metrics improved meaningfully as automation, enhanced monitoring

and specialized customer success roles raised service consistency. While some infrastructure-dependent projects faced external constraints, agile mitigation and alternative wireless solutions ensured continuity and protected customer outcomes.

Accelerating enterprise growth

The Business Unit delivered a solid operational and financial contribution driven by growth across cloud, cybersecurity, IoT, wholesale and managed services. Cloud momentum increased through rising demand for IaaS, SaaS and industry-focused cloud solutions, while cybersecurity adoption strengthened in response to heightened enterprise risk priorities. The expansion of IoT connections across new use cases further reinforced digital leadership.

Operational efficiency also improved as delivery timelines accelerated and enterprise provisioning became more accurate through automation and process enhancement. Wholesale performance reached record levels due to growing MVNO and IoT-MVNO partnerships, while improved governance and cross-functional coordination elevated collection performance. These advances highlight a year of disciplined execution and expanding digital relevance.

Scaling innovation

Innovation remained at the center of the Business Unit's evolution, with 2025 marked by new initiatives designed to advance cloud, AI and next-generation connectivity. The

launch of the Multi-Cloud Platform positioned Zain Business to support enterprises operating across multiple hyperscalers. MNOC and MSOC strengthened the Company's managed services capabilities, while strategic development of the AI framework created a foundation for long-term growth.

Partnerships played a decisive role in enabling scale and capability building. Collaborations with strategic partners expanded reach across multi-cloud, AI, industrial IoT and GPU-as-a-Service. New product launches demonstrated tangible innovation across cloud, connectivity and enterprise solutions. Collectively, these initiatives strengthened Zain Business's position as a leading digital transformation partner.

Redefining enterprise experience

Customer experience remained a central priority as enterprises increasingly sought faster delivery, greater transparency and more reliable service performance. Enhancements in the end-to-end delivery chain, including L2C automation and improved provisioning accuracy, contributed to shorter cycle times and a more consistent activation experience. Automation of critical workflows also created measurable improvements in SLA compliance and operational predictability.

A sector-focused customer success model further elevated engagement. Dedicated customer success managers and specialized account teams brought deeper insight to

government, healthcare, retail and industrial clients, enabling tailored guidance and more proactive support. Enhancements to the digital portal increased transparency and self-service capabilities, while structured voice-of-customer programs created a continuous feedback loop that shaped the enhancement roadmap. Together, these improvements strengthened relationships and elevated service quality across the enterprise base.

Business Unit in 2026

Looking ahead, the Business Unit aims to reinforce its leadership by scaling AI, cloud and cybersecurity services, expanding IoT and smart city capabilities and deepening the wholesale ecosystem, including IoT-MVNO partnerships. A greater push into 5G private networks, edge computing and sector-specific digital solutions will support enterprise modernization across the Kingdom.

The customer experience agenda will advance further through increased automation, AI-driven insights and continued refinement of service delivery. Strengthened governance, faster delivery timelines and enhanced collection performance will also support financial outcomes. These priorities set the foundation for sustained growth, while enabling enterprises and government organizations to accelerate their digital ambitions.

Tamam

Building a scalable, customer-centric digital finance platform

Tamam Finance continued to advance its role as a leading digital Islamic finance provider in 2025, focused on delivering a fast, intuitive and fully digital financing journey. The year balanced strong commercial momentum with disciplined risk management, reinforcing Tamam's ambition to scale sustainably while maintaining high portfolio quality. Strategic investments in technology, partnerships and operational resilience positioned the business to support long-term growth and deeper alignment with Saudi Arabia's evolving digital and financial ecosystem.



Sharpening the strategy for sustainable growth

Tamam's strategic focus in 2025 remained firmly centered on optimizing the end-to-end customer journey through instant approvals and a seamless, document-free digital experience. Alongside its emphasis on customer experience, the business placed equal weight on strengthening risk mitigation practices and improving portfolio quality to ensure stability as volumes scaled. The year's priorities combined aggressive growth ambitions with the need to build a robust, future-ready platform capable of supporting increased demand and more complex use cases.

A key pillar of this strategy was enhancing Tamam's operational and technology foundations. Investments were directed toward completing critical system upgrades and integrating advanced capabilities such as open banking, enabling richer data-driven decision-making and more personalized customer interactions. These efforts ensured growth was underpinned by stronger controls, scalability and resilience.

Financial performance and momentum

Tamam delivered strong financial performance in 2025, reflecting the effectiveness of its strategy and execution. Revenue reached ₪ 435.3 million, representing an 18.4% increase compared to 2024, driven by higher customer adoption and improved product penetration. Net Islamic financing receivables grew to ₪ 951 million, up 9.5% year-on-year, underscoring continued demand for Tamam's digital financing solutions.

EBITDA declined to ₪ 108.2 million in 2025, down from ₪ 126.2 million in 2024, reflecting a 14.2% year-on-year decrease. Net income also fell to ₪ 81.1 million from ₪ 105.2 million in the prior year, representing a 22.9% decline. The contraction in both EBITDA and net income was primarily driven by higher credit-related costs, as management adopted a more conservative risk posture. Profitability was further impacted by prudent provisioning policies and elevated collection efforts, reinforcing Tamam's focus on safeguarding portfolio quality and long-term financial sustainability.

This growth demonstrated Tamam's ability to scale responsibly in a competitive Fintech landscape. The combination of top-line growth and disciplined balance sheet management reinforced Tamam's position as a stable and credible player within Saudi Arabia's financial services sector.

Progress through partnerships and brand engagement

Partnerships played a central role in Tamam's progress during the year, supporting both operational excellence and brand relevance. In August 2025, Tamam won the Azentio Partnership for Digital Lending award for its collaboration to deploy advanced digital lending solutions, enhancing its microfinance capabilities and enabling more personalized, data-driven services. This collaboration strengthened Tamam's technology stack and aligned closely with national objectives to expand access to digital financial services.

Tamam also expanded its brand presence through strategic engagement with the esports ecosystem. In July 2025, it launched an official sponsorship with the PeaksBase team as part of the Esports World Cup, targeting youth audiences and integrating Fintech solutions with gaming culture. The partnership gained additional momentum as the team reached one million subscribers in August, reinforcing Tamam's positioning at the intersection of finance, technology and youth engagement.

Enhancing the platform and customer service

Significant progress was made in enhancing Tamam's core platform and customer service capabilities. The business successfully increased the sophistication and customer value of its offerings on a new, cutting-edge core platform, enabling greater flexibility in product design and delivery. These enhancements improved the overall customer experience while supporting more efficient operations.

Automation remained a key enabler of scale. Continued investment in automated customer service tools and internal process improvements allowed Tamam to handle higher volumes, while maximizing resolution efficiency. As a result, customers benefited from faster response times and more consistent service, reinforcing trust and satisfaction across the platform.

Recognition for resilience and digital excellence

Tamam's focus on operational strength and digital innovation was recognized through several external accolades in 2025. In October, the company achieved ISO 22301:2019 certification for its Business Continuity Management System, confirming robust operational resilience and alignment with international standards. This certification underscored Tamam's commitment to reliability and risk preparedness as the platform continues to scale.

Tamam also received recognition at the MENA Digital Awards during the 2024-2025 cycle, announced in early 2025. The business secured awards for Best Use of Digital by Sector – Banking & Finance and Performance Marketing, highlighting leadership in digital innovation and the effectiveness of its customer acquisition and engagement strategies. Further, in late 2025, Tamam Finance was recognised for Leadership in Innovative Micro-Lending Solutions at the fifth Edition Credit & Collections Summit in Saudi Arabia.

Tamam in 2026

Looking ahead, Tamam's priorities for 2026 focus on scaling its platform and expanding its impact while preserving the seamless digital experience that defines the brand. Operational capacity will be increased to support higher customer demand, ensuring that growth does not compromise service quality or speed.

Embedded finance represents a major growth avenue, with Tamam aiming to enable instant purchase financing for retailers at the point of sale. By integrating financing directly into retail journeys, Tamam seeks to improve customer satisfaction, increase conversion rates and deliver tangible value to partners. Further enhancements to the customer experience are also planned, including refinements to the app's design, improved accessibility and more personalized financial journeys powered by data analytics.

Alongside commercial objectives, Tamam will continue contributing to Saudi Vision 2030 by promoting financial literacy and empowering underserved segments of society. These initiatives reinforce Tamam's role as a responsible Fintech platform supporting inclusive growth within Saudi Arabia's digital economy.



Innovation and Solutions

Building intelligent platforms for enterprises and everyday digital life

In 2025, Zain KSA accelerated its evolution from a connectivity provider into a comprehensive digital and technology enabler, advancing innovation across enterprise and consumer markets. The year marked a decisive shift toward scalable cloud platforms, intelligent managed services, advanced connectivity and digital lifestyle solutions that respond to the Kingdom’s fast-moving technology landscape. By aligning innovation with real customer needs, Zain KSA strengthened its role as a partner of choice for businesses while deepening everyday digital experiences for individual customers.

Regional launch of Air Fiber delivering high-speed last-mile connectivity for enterprises



First integrated multi-cloud platform enabling seamless enterprise operations across major hyperscalers



AI-enabled cloud, cybersecurity, and analytics platforms strengthening enterprise digital resilience



This dual-track innovation strategy allowed the Company to expand its addressable market, unlock new revenue pools and support national digital ambitions. Across the Business Unit and Consumer Unit, innovation was guided by a clear focus on intelligence, automation, resilience and experience, positioning Zain KSA to lead the next phase of digital growth.

Advancing enterprise platforms and digital infrastructure

The defining innovation milestone of 2025 was the transformation of Zain Cloud from a single-cloud provider into a fully integrated multi-cloud managed service platform. This evolution enables enterprises to operate seamlessly across all major hyperscalers, including Google, Amazon, Microsoft, Oracle and Huawei, through one unified operating layer. Built and invested in by Zain KSA under a strategic partnership with Dell, the platform gives customers flexibility, scalability and centralized control across complex cloud environments.

Zain KSA became the first provider in the Kingdom to introduce Next Generation Voice Services (NGVS), allowing enterprises to integrate Zain SIP directly with UCaaS and CaaS solutions hosted in any cloud. This capability supports more agile, cloud-native communication architectures while simplifying enterprise voice integration.

Innovation extended into enterprise connectivity with the regional launch of Air Fiber (WiGig), delivering high-speed, dedicated last-mile performance to business customers. In parallel, Zain KSA completed a live proof of concept for Smart Node, an indoor solution capable of backhauling over any internet service provider to extend 4G and 5G services within premises. Together, these solutions address coverage complexity and performance demands in dense or infrastructure-constrained environments.

Zain KSA engineered a hosted solution on Zain Cloud for Fintech companies, designed to support collections and recoveries, while significantly reducing total cost of ownership. This solution strengthens Zain KSA’s role in enabling financial-sector digitization and operational efficiency.

Expanding innovation into consumer digital experiences

Consumer-facing innovation in 2025 focused on enhancing everyday digital experiences by combining connectivity with lifestyle, entertainment and intelligent service design. Zain KSA expanded its portfolio beyond traditional telecom offerings through exclusive partnerships and differentiated propositions that resonate with digitally engaged audiences.

Key initiatives included co-branded hardware and lifestyle collaborations that connect technology with culture. Customized routers developed in partnership with Inter Milan and Saudi-themed designs linked home connectivity with global sports and local identity. Strategic collaboration with MDLBEAST strengthened Zain KSA’s positioning among youth and entertainment-focused segments by pairing premium data experiences with major cultural events.



Innovation and Solutions continued

Zain KSA enhanced its OTT ecosystem through partnerships with Disney+ and YouTube Premium, expanding content offerings and reinforcing the role of connectivity as a gateway to entertainment. Segment-specific propositions for youth, gamers, families and expatriates added depth to our customers, while digital tools such as the Zain chatbot and Zain Clinic improved accessibility and service responsiveness.

Strengthening managed services, resilience and cybersecurity

Strategic progress in 2025 was marked by the launch of the Managed Network Operations Center (MNOC) and Managed Security Operations Center (MSOC). These platforms repositioned Zain Cloud from an infrastructure provider to a partner delivering full operational resilience, cybersecurity and workload management across hybrid and multi-cloud environments.

The MNOC and MSOC enable customers to rely on Zain KSA for end-to-end service continuity, combining monitoring, analytics and proactive response capabilities. Their introduction reflects growing enterprise demand for managed outcomes rather than stand-alone technology components and represents a step change in Zain KSA's managed services maturity.

Applying artificial intelligence to create value

Artificial intelligence became a core enabler across Zain KSA's innovation portfolio in 2025, supporting automation, intelligence and scalability.

In the Business Unit, AI was embedded across cloud and managed services platforms to enhance operational visibility and decision-making. Zain KSA launched an AI-powered CCTV solution delivering smart video analytics, automated incident detection and enhanced situational awareness for government and enterprise customers.

AI capabilities were also integrated into the MNOC and MSOC, enabling intelligent monitoring, rapid anomaly detection and predictive analytics across complex environments. These deployments form part of a broader AI strategy and framework aimed at scaling automation and supporting customers' transition toward intelligent digital architectures.

On the Consumer Unit side, AI and automation supported improved self-service, faster resolution and more personalized interactions through digital channels. These capabilities strengthened service efficiency, while enhancing customer experience across high-volume consumer touchpoints.

Ecosystem expansion through initiatives, partnerships and launches

A broad set of initiatives shaped Zain KSA's innovation agenda in 2025, including the multi-cloud platform, and AI strategy and framework development.

Strategic partnerships expanded the Company's ecosystem capabilities through collaboration with Dell-Jamcracker for multi-cloud enablement, GROQ for AI and cloud technologies, KocDigital for industrial IoT in manufacturing, and Cisco to support GPU-as-a-Service. These alliances strengthened Zain KSA's ability to deliver advanced solutions across sectors.

New launches during the year included the AI CCTV analytics platform, MNOC and MSOC, Air Fiber (WiGig), Smart Node, NGVS and Zain Collect, reinforcing Zain KSA's position at the intersection of connectivity, cloud and digital services. The Company also received recognition from Hikvision for five years of partnership, reflecting sustained collaboration in digital transformation and innovation.

Innovation and Solutions in 2026

Looking ahead, Zain KSA will expand its innovation roadmap with the introduction of GPU-as-a-Service, a high-performance GPU cloud designed for AI training, inference and smart-city workloads. This platform will support sovereign AI requirements, cost-efficient scaling and compliance-driven deployments.

The Company will also launch an AI agentic contact center platform to automate customer interactions, enhance service quality and reduce operational costs across enterprise environments. In parallel, LPU-as-a-Service will accelerate large-language-model inference in production settings, enabling faster and more efficient AI deployment.

These innovation initiatives reinforce Zain KSA's ambition to lead the next phase of intelligent digital infrastructure, delivering scalable innovation for enterprises while enriching digital experiences for individual customers across the Kingdom.



Subsidiaries and Investments

Subsidiaries

Zain Sales Co. Ltd. (Zain Sales)

Zain KSA shareholding: 100%

A limited liability company, with commercial registration number (1010474932), registered and operating in the Kingdom of Saudi Arabia and headquartered in Riyadh, with a capital of 10,000.

Founded in 2018, Zain Sales operates in the areas of ongoing distribution and partner management. It was established to serve as Zain KSA's sales arm in the market and act as an intermediary between Zain KSA and sales and distribution channels for consumers, aiming to effectively manage sales and marketing channels and enhance overall sales efficiency.

Zain Drones Ltd.

Zain KSA shareholding: 100%

A limited liability company, with commercial registration number (1010584404), registered and operating in the Kingdom of Saudi Arabia and headquartered in Riyadh, with a capital of 10,000.

Founded in 2019, Zain Drones provides a fleet of world-class drones and applications with the capabilities to implement the latest drone solutions and conduct advanced data analytics for government entities and the private sector. The services offered by Zain Drones in the field of drone solutions will create numerous opportunities for various industries to achieve rapid growth and benefit from the IoT in an environment that is efficient, secure and fast.

Tamam Finance Company (Tamam)

Zain KSA shareholding: 100%

A closed joint stock company, with commercial registration number (1010573360), registered and operating in the Kingdom of Saudi Arabia and headquartered in Riyadh, with a capital of 348,000,000.

Founded in 2019, Tamam provides microfinance consumer finance services in accordance with the approval of the Saudi Central Bank (SAMA) No. 57/A Sh/202012, issued on 20 December 2020. Tamam aims to raise financial inclusion in the Kingdom, in line with the Financial Sector Development Program, which is part of the Saudi Kingdom's Vision 2030.

Sairah Holding Company

Zain KSA shareholding: 100%

A limited liability company, with commercial registration number (1010976163), registered and operating in the Kingdom of Saudi Arabia and headquartered in Riyadh, with a capital of 50,000.

Founded in 2024, Sairah Holding Company is responsible for managing the subsidiaries of the holding company and investing the funds of these subsidiaries, along with related activities.

Tam Global Logistics Company

Zain KSA shareholding: 40%

Unlisted joint stock company, with commercial registration number (1010486859), registered and operating in the Kingdom of Saudi Arabia and headquartered in Riyadh, with a capital of 4,083,780.

Founded in 2016, Tam Global Logistics Company specializes in logistics and shipping services and related activities.

Green Shield Insurance Brokerage Company

Sairah Holding Company shareholding: 60%

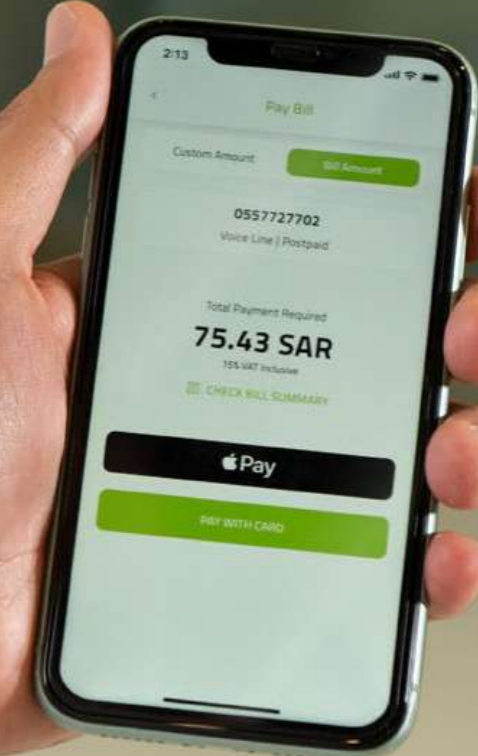
A limited liability company, with commercial registration number (4030170929), registered and operating in the Kingdom of Saudi Arabia and headquartered in Jeddah, with a capital of 3,000,000.

Founded in 2007, Green Shield Insurance Brokerage Company specializes in insurance brokerage.

Beyond telecom

Future of delivery, delivered.

In 2025, Zain Drone officially launched its collaborative project with Jahez, introducing drone-based food delivery to the market. By integrating advanced aerial robotics into the delivery ecosystem, we are accelerating service speeds and driving the future of smart-city logistics.



Subsidiaries and Investments continued

Investments

PLAYHERA Company

Zain KSA shareholding: 50%

A limited liability company, with commercial registration number (1010801531), registered and operating in the Kingdom of Saudi Arabia and headquartered in Riyadh, with a capital of ﷲ 716,000.

Founded in 2022, PLAYHERA Company carries out wholesale and retail trade, information and communications, as well as film and television program production.

Integrated Data Company for Information Technology (Fusion)

Zain KSA shareholding: 31%

A limited liability company, with commercial registration number (1010875081), registered and operating in the Kingdom of Saudi Arabia and headquartered in Riyadh, with a capital of ﷲ 22,000,000.

Founded in 2023, Integrated Data Company for Information Technology (Fusion) is focused on big data technology, data analytics and the development of geospatial databases.



Our People

Delivering excellence on the strength of our people

At the heart of Zain KSA's progress is a deep belief that sustainable performance is built through people. In 2025, we continued to place our workforce at the center of our transformation, shaping a culture defined by care, capability and inclusion. Guided by a clear people strategy aligned with Saudi Vision 2030, Zain KSA focused on creating an environment where employees are supported, empowered and equipped to grow alongside the business. This approach strengthened engagement, reinforced accountability and built the capabilities required to lead in a digital-first economy, ensuring people remain a core driver of long-term value creation.

Employee well-being and inclusion defined Zain KSA's people agenda in 2025, reinforcing our position as an employer of choice in the Kingdom. We advanced a people-first culture through the "Be Well" employee wellness program, which earned national recognition from the Saudi Council of Health Insurance for Best Employer Health and Wellbeing Program and Health Communication Excellence. These awards reflected a comprehensive approach to employee care, including free unlimited mental health support through multiple tools such as Tuhoon and Labayh apps, in-office seasonal vaccinations, continuous health awareness sessions, enhanced parental leave, childcare assistance as well as benefits designed to support both mental and physical health.

Zain KSA's commitment to diversity and inclusion also gained strong external recognition; last year, we received an Excellence in Diversity and Inclusion award from SHRM, highlighting our progress in empowering women and people with disabilities and fostering an equal-opportunity workplace. During 2025, we also received recognition from Connected World KSA, underscoring Zain KSA's leadership in next-generation talent development, inclusive leadership pipelines and long-term investment in Saudi youth and women.

Alongside culture and inclusion, 2025 marked meaningful progress in leadership development and capability building. The first phase of the High-Potential Program delivered measurable outcomes through accelerated development, broader cross-functional exposure and internal promotions.

Total number of employees
1,360



Percentage of male employees
78%



Percentage of female employees
22%



Saudization
89%



Learning and skills development remained a core pillar of the people strategy. Platforms such as Zain Academy, LinkedIn training platform and training opportunities in various international institutions, such as IE University, enabled large-scale training for employees, graduates and students, reinforcing Zain KSA's role in building national digital capabilities. Collectively, these efforts reflect a clear people narrative for 2025: a healthier, more engaged and more diverse workforce, supported by structured development pathways that prepare the next generation of Saudi leaders for the digital economy.

Strategic focus for our people in 2025

During 2025, Zain KSA continued to execute a people strategy centered on empowering talent, strengthening organizational resilience and aligning workforce capabilities with Saudi Vision 2030. The strategy remained focused on building an engaged, high-performing workforce capable of delivering our digital ambitions, while embedding a culture that supports well-being, inclusion and continuous development. Across the year, people's initiatives were designed to translate strategy into everyday experience, ensuring employees are supported, challenged and equipped to grow alongside the business.

Employee engagement and well-being remained a core priority. Zain KSA strengthened programs that promote a positive and supportive work environment, anchored by the Be Well initiative, which reinforces the belief that caring for people underpins sustainable performance. New wellness offerings were introduced – such as on-demand counseling, targeted awareness campaigns and a dedicated employee benefits platform – providing employees with accessible support both professionally and personally. Human Resources also led structured engagement around global observances such as World Cancer Day, World Mental Health Day and World Autism Awareness Day, turning them into meaningful workplace experiences.

Our commitment to a safe and supportive work environment was further recognized in 2025 with the awarding of the Occupational Health and Safety Excellence Certificate by the National Council for Occupational Health and Safety. This certification reflects full compliance with national standards and the successful implementation of a professional safety management system, validated through comprehensive audit procedures. It reinforces Zain KSA's approach to holistic employee well-being, ensuring not only mental and emotional support, but also a physically secure and compliant workplace.

Talent development in 2025 was anchored by a focused portfolio of high-impact programs aimed at building future leadership, accelerating digital capabilities and strengthening national talent pipelines. Advanced leadership and specialist development were strengthened through global partnerships. IDEU Program, in collaboration with IE University in Spain, empowered around 200 employees through advanced certificates and master's-level programs focused on digital transformation and innovation, noting that the program also recently received the Excellence Award from the European Foundation for Management Development (EFMD) for best practices in the category of "Professional Development". The first phase of the HiPo Program was also completed, delivering strong development rates the HiPos collectively have achieved 65% measurable improvement in skills. Additionally, 41% of the participants were promoted within the organization, demonstrating the program's impact on internal talent development and career progression. In addition, women-focused leadership programs such as WE SUCCEED and Women in Tech, strengthened female representation in leadership and technology roles. These programs were complemented by national development initiatives supporting graduates and youth, reinforcing Zain KSA's commitment to sustainable talent growth, inclusion and future-ready capabilities.

Leadership development extended to senior levels through participation in global programs such as the Harvard Business School General Management Program, completed by two Zain KSA leaders during the year. At the same time, early- and mid-career talent development was strengthened through initiatives such as Zain Youth programs and the HiPo Program, which provided stretch assignments, cross-functional exposure and mentorship to accelerate leadership readiness and succession depth across the organization.

Diversity and inclusion remained integral to our People agenda. We reinforced policies and programs aimed at creating a workplace where all employees can thrive, with a focus on increasing female representation, empowering colleagues with disabilities and fostering a culture of belonging. In 2025, this commitment was reflected in initiatives such as Women in Tech 4, which graduated over 150 Saudi female STEM participants; Nova, which supports women in technology roles and has developed five successful program graduates; and WE SUCCEED, a multi-year leadership program that has already empowered eight female leaders. The We ABLE initiative continued to enable the recruitment, training and integration of people with disabilities, complemented by accessibility enhancements and awareness efforts across the workplace.

Our people continued

Performance and rewards were further aligned with best practices to reinforce accountability and values-led performance. Zain KSA maintained compensation and benefits to remain competitive, while expanding non-monetary recognition programs that celebrate behaviors aligned with our values.

These initiatives ensured Zain KSA's people strategy was consistently communicated and embedded across the organization. By weaving our corporate values into all human resources programs and decisions, we reinforced a cohesive culture that supports performance, inclusion and long-term capability building, positioning our people at the center of sustainable growth and digital leadership.

Measuring success through People KPIs

Zain KSA applies a disciplined, data-driven framework to measure the effectiveness of our People strategy and to demonstrate the value of our human capital investments. A defined set of People KPIs is used to track progress, highlight areas for improvement and ensure transparency for all stakeholders. These indicators span engagement, retention, Saudization, diversity and inclusion, learning and development, leadership readiness and the quality of performance management.

Learning and capability development was a standout area of performance in 2025. One of our core People KPIs was to provide training to at least half of the workforce during the year. This target was exceeded, with training coverage reaching 71%, supported by the scale and reach of Zain Academy, the Wa'ad initiative, IE University, internal technical and leadership courses and executive development programs. This outcome reflects strong employee participation and confirms the robustness of Zain KSA's integrated learning ecosystem.

Employee engagement also strengthened, reaching one of the highest levels recorded in recent years. Improvements were driven by higher confidence in leadership, a stronger sense of belonging, greater inclusion and clearer development pathways. Initiatives such as the Be Well program expanded recognition mechanisms and broader access to learning opportunities played a central role in shaping these outcomes and reinforcing a positive employee experience.

Talent retention remained solid throughout the year, with a healthy level of voluntary turnover maintained below internal thresholds. Retention was particularly strong among high-performing and critical talent segments, while returning mothers and employees from diverse groups – including people with disabilities – demonstrated high levels of commitment. These trends underscore the effectiveness of Zain KSA's inclusive policies and targeted retention efforts.

Zain KSA is committed to empowering Saudi youth, who form a key segment of our workforce while we sustain our Platinum status under the Nitaqat Program. Diversity indicators progressed positively, with increased female representation overall and within leadership pipelines, alongside sustaining the number of employees with disabilities. These advances were supported by structured programs and partnerships, including collaboration with the We ABLE initiative that focuses on empowering people with disabilities in the workplace.

Overall, Zain KSA strengthened the foundations for transparent and data-led people management and reinforced our ability to link workforce outcomes directly to strategic priorities. This momentum positions us well to continue refining our People metrics in line with evolving business and transformation objectives.

Corporate values in action

Zain KSA's corporate values are the foundation of our culture and, in 2025, we translated these principles into clear behaviors that shape performance, collaboration and decision-making.

Our Corporate Values



Customer Centric



Open Communication



Belonging



Agility



Inclusion

Key People initiatives and achievements in 2025

Throughout 2025, Zain KSA implemented a wide range of People initiatives with significant achievements across recruitment, engagement, development, localization and inclusion.

Attracting and developing Saudi talent

Zain KSA continued to strengthen our talent pipeline by attracting high-caliber Saudi professionals and youth across priority business areas. Targeted recruitment campaigns, close collaboration with universities and participation in multiple career fairs enabled us to engage with high-potential candidates nationwide. Rigorous selection standards remained in place to ensure quality of hire and alignment with Zain KSA's values and growth mindset. A strong share of new hires came from Saudi women and youth, reinforcing our role in national talent development.

At the national level, the Wa'ad initiative, delivered in partnership with HRSD, significantly exceeded its original commitments. By the end of 2024, Zain KSA had already delivered 141,741 cumulative training opportunities, with 207,330 more opportunities delivered by the end of 2025. These programs supported Saudi youth and fresh graduates through technical courses, internships and practical workshops, reinforcing Zain KSA's role as a national capability builder.

In parallel, Zain KSA placed strong emphasis on digital and technical upskilling. Through partnerships with global technology leaders, employees were trained and certified in emerging domains such as 5G, cloud services, AI and cybersecurity. Collectively, these initiatives ensured our workforce is increasingly skilled, agile and prepared to lead the next phase of digital growth, with training participation, hours per employee and program outcomes embedded as core People performance metrics.



Our people continued

Early career programs played a central role in building future capability. The Tamheer Program provided graduates with hands-on experience and workplace readiness, while the COOP Program offered structured academic internships that allowed students to apply their learning in a real business environment. These programs strengthened Zain KSA's ability to assess, develop and retain high-potential graduates for long-term roles.

Beyond formal recruitment, broader youth initiatives expanded Zain KSA's reach and impact. Programs such as Zain Youth, Next Chapter and the LinkedIn training initiative supported skills development, employability and career readiness among young Saudis and university students across the Kingdom. In parallel, the Evolve Graduate Development Program developed its participants through rotational assignments and structured learning, continuing a strong track record of converting participants into full-time employees. These efforts ensured a sustainable flow of talent while injecting fresh perspectives and energy into the organization and generating niche talent by investing in Saudi youth.

In recognition of our commitment to excellence in recruitment and talent acquisition, Zain KSA was awarded the ISO 30405:2023 certification in 2025. This internationally recognized standard affirms our adherence to global best practices in planning, managing and executing recruitment processes, enhancing transparency and candidate experience. This milestone reflects Zain KSA's focus on delivering structured, high-quality hiring practices that align with our values and strategic goals.

Energizing engagement and recognizing excellence

Employee engagement remained a priority in 2025, with Zain KSA deepening connection, motivation and pride across the workforce. A wide range of initiatives helped bring people together and reinforce a strong sense of community, including innovation hackathons, team off-sites, volunteer activities, awareness campaigns and family-focused events. These moments of shared experience strengthened collaboration, reinforced our culture and ensured employees felt connected to both colleagues and purpose.

Recognition was further embedded into daily working life through enhanced digital tools and leadership visibility. The online recognition platform enabled employees and managers to acknowledge achievements and value-driven behaviors in real time, while the Zain Star award continued to celebrate outstanding individuals and teams on a quarterly basis. High-impact engagement moments, internal e-magazines and communications around major milestones helped build transparency, celebrate progress and foster a collective sense of achievement.

Investing in people for long-term success

Retention remained a core people priority in 2025, with Zain KSA reinforcing our position as a workplace where talent can grow, perform and build long-term careers. We continue to offer competitive, market-benchmarked compensation supported by performance-based incentives, ensuring rewards remain closely linked to results and contribution. Alongside financial rewards, Zain KSA strengthened our broader value proposition by focusing on benefits and policies that support work-life balance and employee well-being.

Parental and family support are enhanced through extended childcare leave beyond statutory requirements, more flexible childcare arrangements and sustaining a nursery allowance to support working parents. We formalized World Mental Health Day as an additional day off, reinforcing our commitment to employee well-being. Through the Be Well program, employees continued to benefit from free unlimited mental counseling and a range of wellness resources, reflecting our belief that sustainable performance is built on physical and mental health.

These measures delivered tangible results. Voluntary attrition remained healthy throughout the year, indicating strong employee loyalty and effective retention of high performers. Retention among returning mothers was particularly strong, underscoring the impact of Zain KSA's inclusive and supportive policies. By combining competitive rewards with meaningful well-being initiatives, we have strengthened engagement and built a resilient workforce aligned with our long-term ambitions.

Learning for scale, leadership and the digital future

2025 marked a step-change in learning and development at Zain KSA, reinforcing a culture of continuous growth and future readiness. We focused on equipping our workforce with the skills required to succeed in a rapidly evolving digital economy, while building strong leadership pipelines. As a result, more than 63% of employees participated in structured learning programs during the year, reflecting both high engagement and the growing scale of Zain KSA's learning ecosystem.

Zain Academy and the Digital Learning Platform formed the backbone of this effort, giving employees access to more than 60,000+ online courses across technical, leadership and behavioral domains over the course of the year, including internal training courses and structured programs designed around critical capability gaps and strategic priorities. This breadth ensured learning was accessible, relevant and closely aligned with business needs.

Targeted development programs played a central role in strengthening talent depth. Zain Youth initiative continued to expand, offering intensive upskills in areas such as product management, data analysis, cloud computing and human capital management. Participants earned industry-recognized certifications through partners such as edX and many progressed to become internal trainers, amplifying impact across the organization.

Building national talent at scale

Saudization remained a defining strength of our people's agenda in 2025. We sustained an exceptionally high Saudization rate, well above mandated requirements, with Saudi nationals consistently representing most of the workforce. This outcome reflects a long-standing commitment to developing local capability and embedding Saudi talent across all levels and functions of the organization.

Zain KSA views the development of Saudi talent as a strategic imperative and a long-term investment in national capability. We are committed to early-career and national programs such as Tamheer, COOP, Zain Youth, Next Chapter and Wa'ad, enabling sustained growth in technical, digital and leadership roles. As a result, Saudi professionals now represent the highest share of our workforce to date, including in specialized areas previously underrepresented. This progress reflects our belief in the value of local talent as a driver of innovation, resilience and cultural alignment across the organization.

Diversity and inclusion in action

Zain KSA was a pioneer in gender inclusion as it has set the foundations of the WE initiative in 2017. We continued to expand women's participation across the workforce in 2025, with female representation rising to 22% from 7.6% in 2017, an increase of 189%. Growth was evident across technical, commercial and customer-facing roles, reflecting sustained efforts to attract, retain and develop the skills of Saudi women at all levels of the organization. Importantly, momentum continued at the leadership level, with 36.4% of top executive positions now held by women, from 0% in 2017.

This progress was underpinned by targeted development pipelines. Women in Tech 4 successfully graduated more than 155 Saudi female STEM students, strengthening the future talent pool in critical technology roles. Internally, Nova supported the development of female employees in technology functions, while WE SUCCEED, a three-year leadership program, continued to build the capabilities of high-potential women, having developed eight female leaders to date. Together, these initiatives have enhanced mentorship, technical expertise and leadership readiness, enabling sustained progress in gender diversity.

Our people continued

Zain KSA's commitment to women's empowerment continued to be recognized externally, reflecting our ongoing focus on inclusion and equal opportunity. In 2025, we won the Connected World KSA Award in the "Next-Generation Talent & Inclusion" category, reinforcing our efforts to cultivate future-ready talent and strengthen an inclusive workplace that supports women's participation and growth across the ICT sector. This recognition builds on earlier awards such as the Ghazi AL Gosaibi Award for Best Work Environment for Women, as well as international recognition from SHRM and Telecom Review.

Empowering people with disabilities

Zain KSA also made meaningful advances in the inclusion of people with disabilities through our We ABLE initiative. Guided by the principle of equal opportunity, we continued to embed inclusive practices across recruitment and workplace design. In 2025, further enhancements were introduced to improve accessibility, including assistive technologies, inclusive office design and targeted training for teams to build awareness and reduce unconscious bias.

The strategic partnership with the Ministry of Human Resources and Social Development advanced during the year, following the memorandum of understanding signed in late 2024. Through this collaboration, Zain KSA expanded tailored training programs and new hires were supported through internships, structured onboarding, personalized workplace accommodations and mentoring, making certain of effective integration and long-term success.

Technology played a complementary role in strengthening inclusion. Tools such as the "Be My Eyes" solution were promoted to support visually impaired employees and customers, reinforcing Zain KSA's commitment to a barrier-free digital and physical environment. The internal awareness campaign – which observed the International Day of Persons with Disabilities, e-learning modules on inclusive practices and the sharing of employee success stories – helped foster cooperation and understanding across the organization.



Recognition for our people excellence

Zain KSA's dedication to our people and workplace excellence garnered significant awards and recognition in 2025, further validating our efforts on a national and international stage. Key honors received include the following.

Council of Health Insurance (CHI) Excellence Awards

Best Health and Well-being Program Award Large Enterprises and the Health Awareness Excellence Award Large Enterprises

Connected World KSA Award

Next-Generation Talent and Inclusion

Occupational Health and Safety Excellence Certificate

by the National Council for Occupational Health and Safety

ISO 30405:2023 certification

Planning, management and delivery of recruitment and the talent acquisition processes, including attraction, sourcing, assessment, employment (up to onboarding) and continuous improvement, in accordance with ISO 30405:2023 guidelines to ensure fairness, transparency, candidate experience and compliance



65 million

documents shredded
in 2025

Zain KSA's sustainability strategy and 16 material topics, aligned with the UN SDGs, guide how the Company creates value for employees, partners and communities across the Kingdom.

04

ESG Review

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Sustainability at Zain KSA

Powering sustainable progress across the digital ecosystem

At Zain KSA, sustainability reflects how we translate technological progress into long-term value for the Kingdom and the communities we serve. As digital infrastructure becomes increasingly central to economic development, our responsibility extends beyond connectivity to ensuring that innovation supports environmental stewardship, inclusive growth and responsible governance. Our sustainability framework therefore integrates operational performance with broader societal priorities, guiding how we manage resources, strengthen trust and expand opportunity across the digital economy.

Our strategic pillars

Climate change

We are committed to reducing our environmental impact and supporting a low-carbon future. By embracing innovation, improving energy efficiency and advancing circular economic practices, we contribute to sustainability across our entire value chain.



Operating responsibly

We uphold the highest standards of corporate governance, risk management and ethical conduct. Cybersecurity, data privacy and regulatory compliance are central to building stakeholder trust, while sustainable procurement practices reflect our deep commitment to responsible business.



Inclusion

Inclusion powers our vision for digital transformation. We are focused on expanding access, fostering equity and creating a workplace where women, youth, people with disabilities and underserved communities can thrive. By narrowing the digital divide, we broaden participation in the digital economy.



Generation youth

We invest in the next generation by equipping young people with the skills and knowledge they need to lead in a fast-changing, tech-driven world. From digital literacy to future-ready training, we are helping shape the workforce of tomorrow – and ensuring that innovation uplifts the many, not just the few.

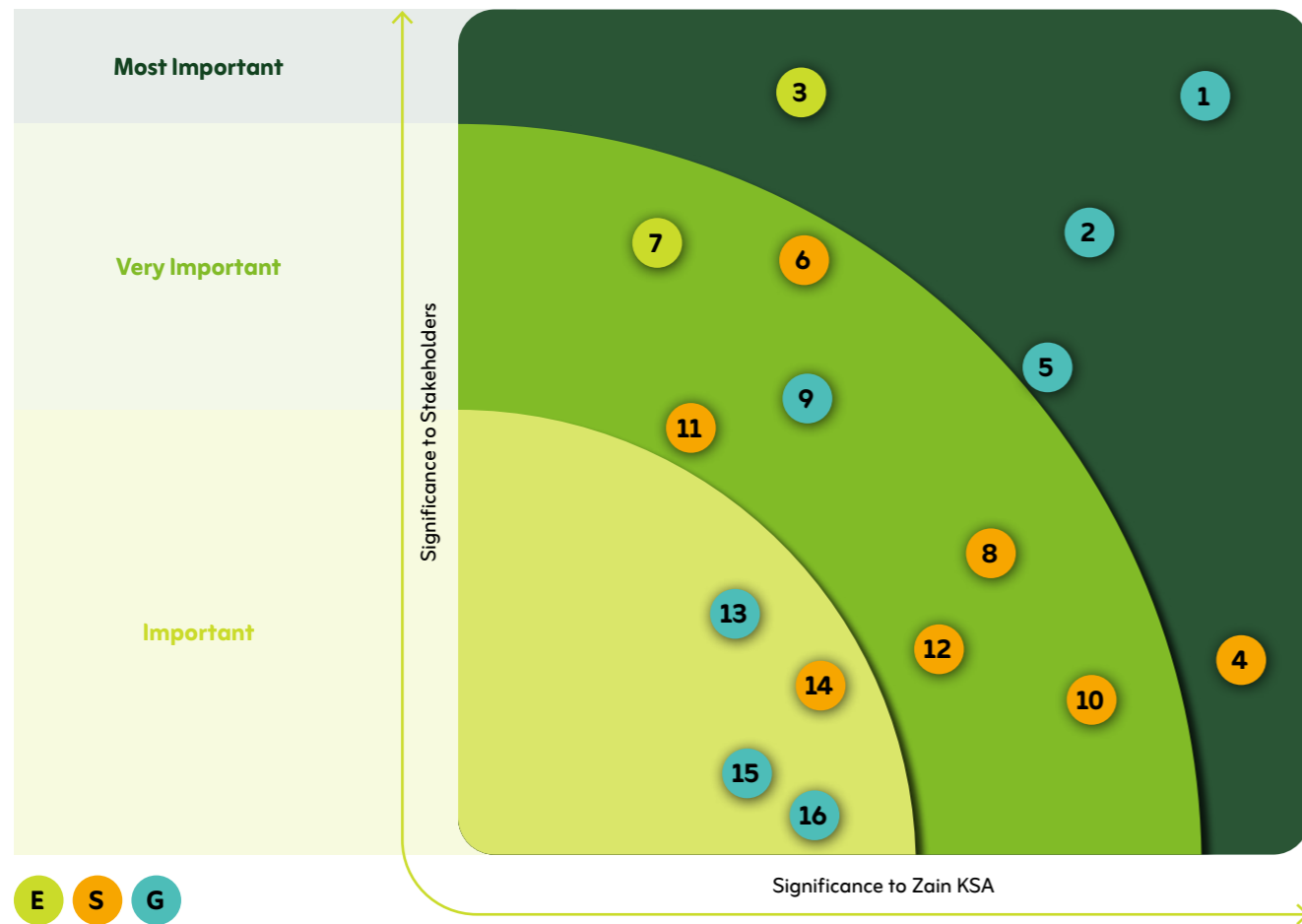


Sustainability at Zain KSA continued

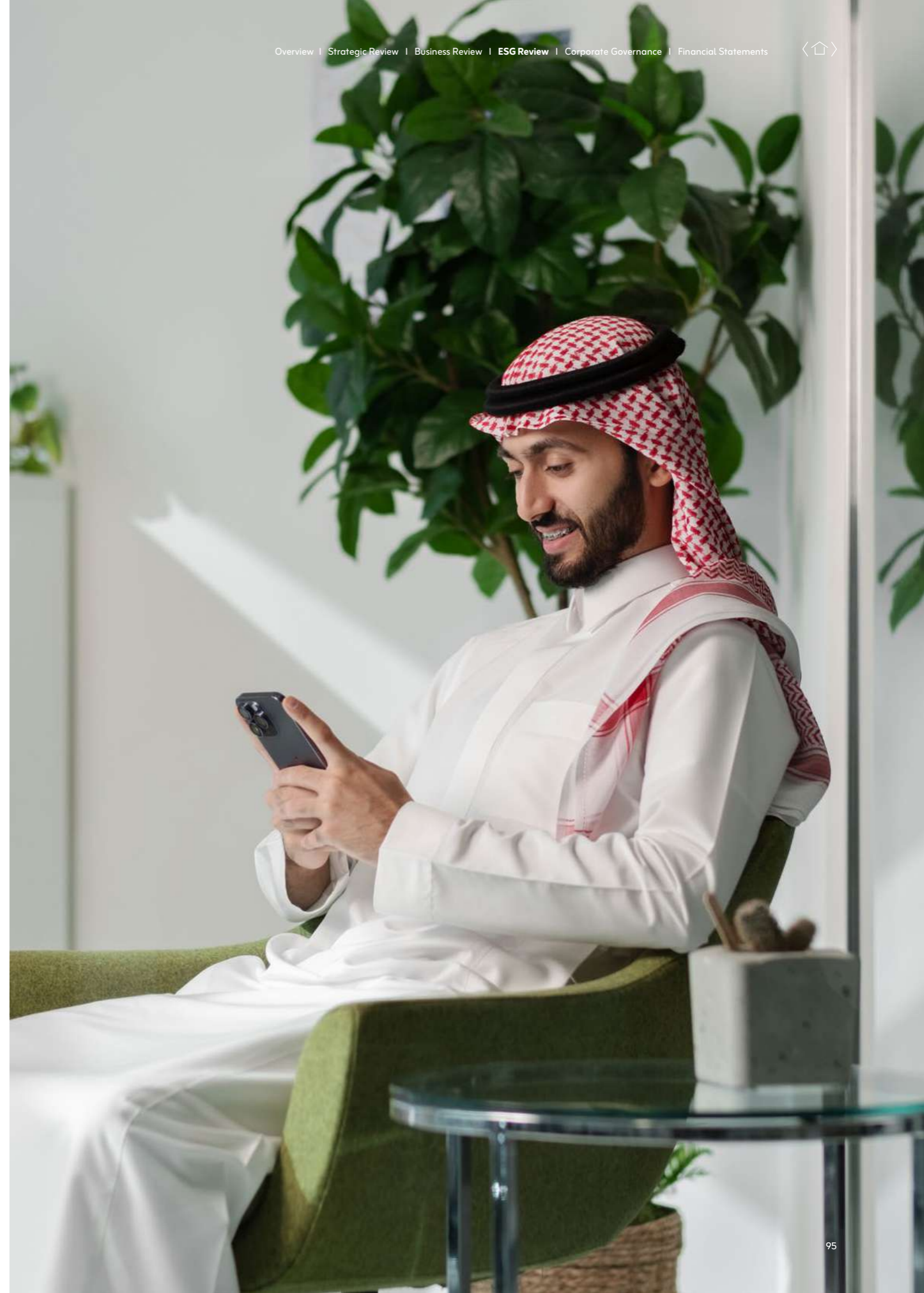
Our material topics

Our ESG strategy is guided by the issues that matter most to our business and stakeholders over the long term. Last year, we conducted a comprehensive double materiality assessment to identify the environmental, social and governance topics most relevant to our operations, value creation and stakeholder expectations. This process provided an important strategic foundation for shaping our sustainability priorities across the organization.

2025 ESG materiality matrix



Most important	Very Important	Important
1 Data privacy and cybersecurity	6 Diversity, equity and inclusion	13 Economic impact
2 Innovation and digitalization	7 Waste and circular economy	14 Human and labor rights
3 Climate change and GHG emissions	8 Digital inclusion	15 Corporate governance
4 Customer satisfaction	9 Responsible supply chain	16 Compliance and responsible behavior
5 Ethical business practices	10 Talent attraction and retention	
	11 Community engagement and impact	
	12 Employee health and well-being	



Environmental review

Protecting our planet

Environmental stewardship is embedded in how we enable digital progress. As we continue to expand the Kingdom’s digital infrastructure in line with Saudi Vision 2030, we remain focused on managing resources responsibly, preserving natural ecosystems and supporting Saudi Arabia’s net-zero ambition by 2060. By integrating sustainability into network deployment and advancing circular economy practices across our operations, we strive to deliver long-term digital growth with lasting environmental value.



Climate change and GHG emissions

We made significant progress in our decarbonization agenda this year, while expanding digital infrastructure in support of Saudi Vision 2030. As demand for next-generation connectivity, cloud and smart-city services grew, so did energy requirements across our operations. In response, we accelerated renewable energy deployment, strengthened efficiency measures and deepened circular economy practices to help balance growth with decarbonization.

To address rising consumption and evolving stakeholder expectations, we focused on energy optimization, infrastructure modernization and more responsible operating practices. During the year, we installed 200 hybrid solar-battery systems, with additional units under deployment and planned for 2026, and transferred 8,268 sites to LATIS management to reduce the ecological footprint of high-performance activities and operations.

In partnership with infrastructure providers, we also expanded renewable energy pilots and reinforced lifecycle accountability across our operations. Our five-year decarbonization plan, implemented with TowerCo partner Tawal, is focused on expanding grid connections, improving hybrid power systems and modernizing site infrastructure to reduce reliance on fossil fuels.

As next-generation technologies continue to increase energy demand, we remain focused on mitigation pathways that support lower-carbon growth, including renewable energy integration, AI-enabled optimization and improved emissions intensity management.

Integrated digital conservation solutions

We leverage advanced digital technologies to support environmental protection efforts. Our integrated ecosystem combines IoT-based wildlife tracking, solar-powered monitoring systems, drone and satellite analytics, and smart fleet management. These capabilities enhance real-time environmental visibility, strengthen habitat protection and enable faster, more informed responses to environmental challenges.

Elevating environmental awareness

Through our digital platforms and a social media audience exceeding four million people, we actively promote environmental awareness across the Kingdom. Our campaigns focus on themes such as renewable energy, biodiversity protection, waste reduction and conservation, encouraging communities to adopt more sustainable behaviors and contribute to long-term environmental stewardship.

Energy consumption

Scaling our digital infrastructure to improve energy performance remains a key operational priority. Across our network footprint and facilities, we expanded a range of efficiency measures, including building automation, live energy monitoring and energy-saving cooling systems.

We also strengthened energy management across network sites, data centers and administrative locations by advancing our centralized Building Management System and enhancing real-time monitoring capabilities. This gave us greater visibility into usage patterns and supported more effective control of consumption peaks. Through these efforts, we continue to improve operational efficiency, reduce dependence on fossil fuels and strengthen the resilience of our infrastructure.

Waste and circular economy

We apply circular economy principles across our operations to reduce waste and preserve resources. Our approach focuses on responsible management of key waste streams, including electronic waste, paper, plastics, general waste and hazardous materials. Segregation, certified recycling and ongoing monitoring remain essential to how we manage waste across our sites and facilities.

We work with certified partners to collect and recycle e-waste, helping extend asset life and ensure responsible end-of-life treatment. Paper consumption is monitored through a centralized system that tracks usage and environmental impact, supporting our broader digitalization and print reduction efforts. Plastic waste is managed through designated collection points and recycling partnerships, supported by initiatives such as reusable bottle distribution to reduce single-use plastic consumption.

Environmental review continued

Advancing paperless operations

As part of our digital transformation, we continue to move toward paperless operations through centralized monitoring and tighter consumption controls. Real-time tracking improves visibility over paper usage and its associated environmental impact, supporting more responsible resource management.

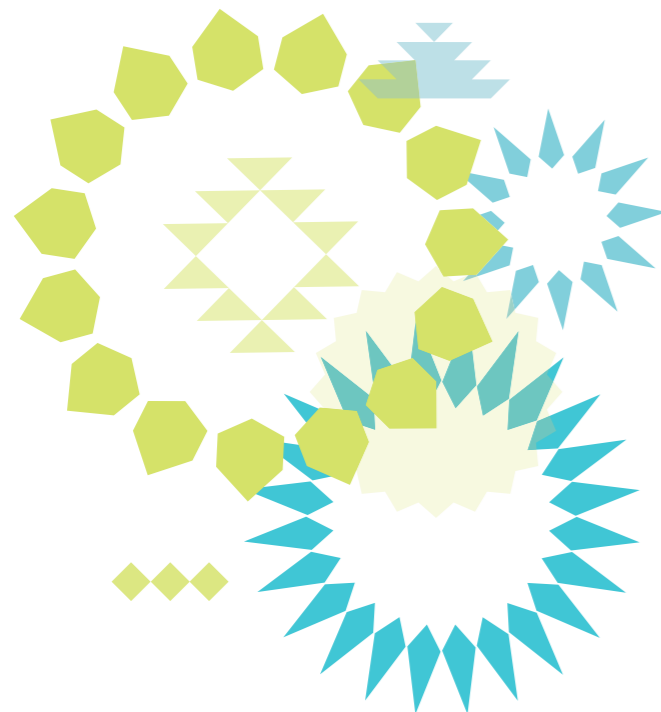
Reducing single-use plastic

We monitor plastic waste on a quarterly basis and continue to introduce measures that reduce dependence on single-use bottles. These efforts help encourage more sustainable consumption habits across our facilities.

Shredding initiative

In 2025, Zain KSA implemented one of the largest circularity initiatives in the Saudi telecommunications sector by securely shredding and recycling around 65 million documents, 65,000 cartons and 2,000 pallets over a four-month period through a certified supplier. The program extended circular economy principles beyond electronic waste to paper materials and resulted in annual savings of approximately $\text{S} 680,000$.

This initiative prevented hundreds of tons of paper from reaching landfills, transformed administrative waste into re-used products and ensured full data confidentiality while advancing the Company's sustainability goals.



Social review

Supporting our people and society

Supporting community wellbeing is an ongoing responsibility rooted in inclusion, equal opportunity and shared prosperity at Zain KSA. Social sustainability is embedded across our operations, shaping how we create impact, strengthen resilience and contribute to more connected and empowered communities.

We believe technology can be a powerful force for social progress when applied with purpose. By delivering digital solutions that respond to genuine societal needs, we help expand access, support participation and contribute to the Kingdom's broader wellbeing.



Ensuring customer satisfaction

Creating high-quality customer experience remains fundamental to our long-term success. We continued strengthening our customer-centric approach by enhancing digital capabilities, refining governance structures and expanding real-time feedback mechanisms. These efforts contributed to stronger satisfaction levels, with CSAT reaching 92% based on feedback from more than four million customer responses.

We further elevated our customer experience framework by integrating digital behavioral KPIs across operations and broadening the scope of our Voice of Customer program. This enabled faster insight generation and more responsive, data-led improvements across key service areas.

Customer journey analytics were also enhanced through expanded predictive capabilities. By upgrading feedback processing tools and drawing on real-time insights, we introduced improvements across several touchpoints, including the Zain app experience and in-store service support. These initiatives strengthen our ability to anticipate customer needs and continually refine the experience we provide.

Digital inclusion and community engagement

Zain KSA works to ensure that the benefits of digital transformation extend across all segments of society. Expanding connectivity, strengthening digital skills and supporting vulnerable groups remain central to our approach, contributing to broader national capability development aligned with Saudi Vision 2030.

Education remains another important pillar of our social engagement. Through partnerships with international education platforms such as EDGEx 2025, we supported the integration of emerging technologies into learning environments, helping equip students and educators with the tools needed to participate in the Kingdom's evolving digital economy. During the year, network expansion initiatives also helped extend digital access in underserved areas of the Kingdom.

Notable initiatives in 2025 include:

Liajlehum

In 2025, Zain KSA formalized its commitment to disability inclusion through a strategic MoU with the Liajlehum Association for Disability, co-creating accessible digital solutions and community initiatives that reached many beneficiaries across the Kingdom. Complemented by ongoing collaborations with national stakeholders and charities, these efforts reflect a broader vision, one that moves beyond access to champion independence, participation, and lasting social impact.

B2B Enablement of Sports, Entertainment and Fintech Ecosystems

In 2025, Zain Business delivered B2B connectivity, smart services, IoT, and cybersecurity solutions across major Vision 2030 giga-projects which includes Jeddah Central District, King Salman Park, and Sports Boulevard. This resulted in wins such as the Opera House in-building solution and supporting the launch of Qiddiya Six Flags. Free Wi-Fi and large-scale bandwidth at flagship sporting and entertainment events further broadened digital access for thousands, while growing adoption of Zain Collect by fintech players reinforced the company's role in enabling secure, scalable digital finance across the Kingdom.

Ministry of HRSD Corporate Social Responsibility Award

Gold Category Corporate Social Responsibility Award for the second consecutive year



Governance review

Strong governance and integrity

Robust governance provides the foundation for responsible management, effective oversight and sustained value creation. Our approach is guided by principles of integrity, transparency and accountability, which shape decisions and behaviors across Zain KSA. Beyond meeting regulatory requirements, we seek to embed ethical standards and sound governance practices into everyday operations and throughout our value chain. This commitment supports responsible business conduct, strengthens stakeholder confidence and reinforces the long-term resilience of our business.



Driving innovation and digitalization

Innovation and digital capabilities remained central to strengthening our governance framework, operational resilience and long-term value creation this year. Building on the “Sustained Innovation” foundation introduced in 2024, we advanced from early experimentation to broader deployment and commercially driven outcomes.

Several milestones were achieved in 2025, including certifications for 5G Standalone and VoNR, the commercial rollout of Air-Fiber (WiGig), the continued expansion of AI-enabled solutions and the further development of multi-cloud capabilities. These initiatives were supported through strategic partnerships and operated under a structured AI governance framework aligned with Zain Group’s wider strategy, supporting transparency and responsible implementation.

Across both enterprise and consumer markets, we expanded our portfolio of digital platforms, cloud services, managed operations and connectivity solutions. These efforts support stronger customer experiences while contributing to the ongoing development of the Kingdom’s digital infrastructure.

Strengthening data privacy and cybersecurity

Safeguarding customer data is a fundamental obligation for Zain KSA and an essential pillar of digital trust. During the year, we reinforced our data governance framework by operationalizing the Data Office and strengthening internal data management practices in line with SDAIA, NDMO and PDPL requirements. Compliance was supported through structured internal reviews and ongoing assessments to ensure the effectiveness of our policies and controls.

Our governance framework and security architecture continued to perform strongly. No data breaches, substantiated privacy violations or financial losses linked to customer data protection were recorded during the year. To further strengthen PDPL readiness, we appointed a dedicated Data Protection Officer responsible for establishing governance mechanisms, implementing Records of Processing Activities and Data Protection Impact Assessments for high-risk activities, and advancing capabilities related to data subject access and consent management.

Protection of information extends beyond internal operations to our broader value chain. Selected third parties are subject to physical audits, while our systems remain aligned with the requirements of the NDMO and the Communications, Space and Technology Commission. We also continued to improve National Data Index maturity and maintain key cybersecurity and cloud security certifications, reinforcing the integrity of our digital environment and maintaining the confidence of our customers and partners.

Ensuring responsible procurement and supply chain

Throughout the year, we remained focused on strengthening our supply chain as a transparent, responsible and digitally enabled ecosystem that supports the goals of Vision 2030. We deepened engagement with local suppliers, incorporated sustainability considerations more firmly into procurement processes and expanded digital systems that enhance efficiency and governance.

Our procurement approach remains focused on two priorities: expanding opportunities for local SMEs and embedding ESG considerations into supplier management. The achievement of CIPS Ethical Procurement Certification across our procurement function further demonstrates the strength of our responsible sourcing practices and commitment to internationally recognized standards.

Suppliers are evaluated through rigorous pre-qualification processes and must comply with our Supplier Code of Conduct and Human Rights Policy. Structured monitoring mechanisms track supplier performance, while sustainability considerations are now integrated into onboarding, evaluation, audits and RFP assessments. A significant share of procurement spending continued to support local suppliers, contributing to national economic growth and SME participation.

Technology continues to enhance the effectiveness of our procurement operations. Advances in Oracle Fusion migration, warehouse optimization, expanded Robotic Process Automation and enhanced e-procurement tools have improved operational transparency and real-time oversight. These capabilities also enable more effective strategic sourcing and cost optimization, generating measurable value for the business.



Zain KSA upholds strong governance and rigorous risk management to safeguard transparency, accountability, and the long-term interests of all its key stakeholders.

05 Corporate Governance

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Corporate Governance

The Company adopts leading practices in corporate governance, incorporating key requirements and directives from relevant regulatory authorities and embracing globally recognized standards and international best practices.

Both the Board of Directors and the executive management team firmly believe that understanding, applying and actively implementing an effective governance program within the Company aligns with its aspirations, achieves its goals, enhances its capabilities and develops its resources. This approach establishes a system that fosters a clear understanding of responsibilities and duties while promoting ethical and professional practices.

To achieve this, the Board of Directors has adopted various policies and procedures and established suitable systems and controls to secure shareholders' rights, while upholding the duties and responsibilities of the Board of Directors and executive management.

Consequently, the Company's governance framework includes three lines of defense within the internal control system for independent oversight. Accountability and operational effectiveness are ensured through the Internal Audit and Risk and Business Continuity Management departments.

These three lines of defense enhance independent oversight, support accountability and improve operational efficiency. The three lines of defense are as follows:

First Line: Risk ownership

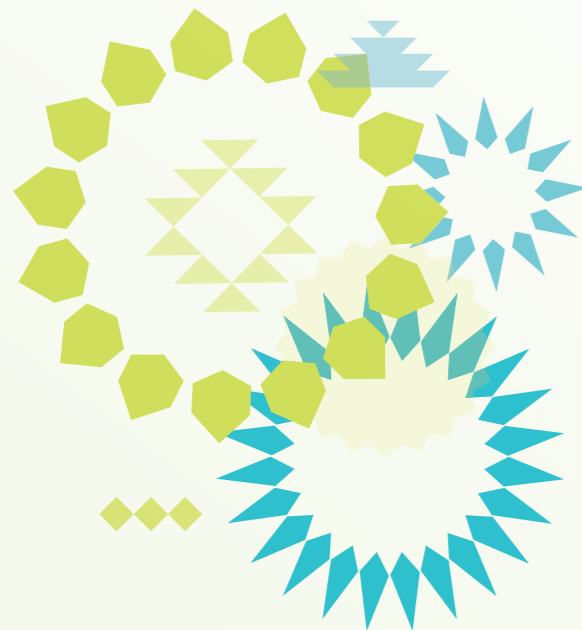
Departments manage risks arising from their business operations and activities by implementing the risk appetite framework, evaluating business performance, applying internal control systems and risk management practices and ensuring operations remain within defined risk thresholds.

Second Line: Oversight, monitoring and business continuity

Providing objective oversight of business risk management through the design and deployment of a risk management framework across the Company, ensuring that departments (the first line of defense) comply with risk framework policies and procedures, and supporting departments in managing and monitoring risks while maintaining accountability.

Third Line: Independent assurance and validation

Internal Audit provides independent assessment and reporting on the effectiveness of the business risk management framework, ensuring the first and second lines of defense implement controls and procedures to fulfill their responsibilities appropriately.



Corporate Governance Regulation Compliance

Implemented and Non-Implemented Provisions of the Corporate Governance Regulations with Justifications

The Company complies with all provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), with the exception of the Articles listed below.

Mandatory articles			
#	Article No.	Article/paragraph	Reasons for non-application
1	Article 87: The Board's report Paragraph (19)	The Board's report shall include the Board's operations during the last fiscal year and all factors that affect the Company's businesses. Such report shall include the following: 19) Geographical analysis of the Company's and its affiliates' revenues.	Geographic analysis of the Company's total revenues is not available owing to the nature of the telecommunications sector, as the revenue generated is not linked to a certain location or area.
2	Article 90: Disclosure of Remunerations, paragraph (4)	A description of the necessary details with respect to the remuneration and compensations granted to five senior executives who have received the highest remuneration from the Company, provided that the Chief Executive Officer and Chief Financial Officer are among them.	The remuneration and compensation granted to five senior executives who have received the highest remuneration from the Company were disclosed in aggregate, without presenting individual details, contrary to the requirements set out in Annex (1) on senior executives of the Corporate Governance Regulations. This was adopted to protect the Company's interests, safeguard the rights of its shareholders and employees, and avoid any potential harm that could result from detailed disclosure.

Guiding (non-mandatory) articles			
#	Article No.	Article/paragraph	Reasons for non-application
1	Article 37: Training	The Company shall pay adequate attention to the training and preparation of the Board members and the executive management, and shall develop the necessary programs as required.	Guiding (non-mandatory) article
2	Article 39: The Assessment	Annual evaluation of the Board, its members, committees and executive management performance.	Guiding (non-mandatory) article
3	Article 51 (C): Audit Committee formation	The Chairman of the Audit Committee shall be an independent member.	Guiding (non-mandatory) paragraph
4	Article 51 (D): Audit Committee formation	Half of the Audit Committee members shall be independent or shall meet the criteria for independence.	Guiding (non-mandatory) paragraph
5	Article 67: Composition of the Risk Management Committee and subsequent articles (68); Competencies of the Risk Management Committee, 69; Meetings of the Risk Management Committee	The Company's Board shall, by resolution thereof, form a committee to be named the "Risk Management Committee". The Chairman and the majority of Board members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.	Guiding (non-mandatory) articles
6	Article 82, paragraphs (2) and (3): Employee Incentives	The Company shall establish programs for developing and encouraging the participation and performance of the Company's employees. The programs shall particularly include the following: 2) Establishing a scheme for granting Company shares or a percentage of the Company's profits and pension programs for employees and setting up an independent fund for such programs. 3) Establishing social organizations for the benefit of the Company's employees.	Guiding (non-mandatory) paragraph
7	Article 84: Social responsibility	The Ordinary General Assembly, based on the Board's recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	Guiding (non-mandatory) article
8	Article 92: Formation of a Corporate Governance Committee	If the Board forms a Corporate Governance Committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations, Such committee shall oversee any matters related to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.	Guiding (non-mandatory) article

Risks

Enterprise Risk Management

Zain KSA continues to maintain a formal, structured and systematic approach to Enterprise Risk Management (ERM) across the organization. The Enterprise Risk Management framework, policies and processes are maintained in line with ISO 31000:2018 standards and aligned with international best practices and regulatory requirements, providing robust oversight and supporting effective mitigation of risks. The Board of Directors actively supervises the Company's risks that matter (RTM) profiles, with progress on mitigation plans and key risk indicators monitored on a quarterly basis. A comprehensive annual risk review, using top-down approach, is conducted to identify and assess risks that could affect strategic objectives, operational performance and business continuity.

In 2025, Zain KSA strengthened its capabilities across areas including customer experience, digital transformation, network investments, data governance, cybersecurity, talent management, regulatory compliance and B2C growth. These efforts reinforce proactive risk identification, effective mitigation and sustain organizational resilience. The Company successfully retained its ISO 22301:2019 certification for Business Continuity Management, underscoring its continued commitment to resilience, operational reliability and the achievement of strategic objectives.

The following summarizes the key risks that matter, which had the most material impact on Zain KSA in 2025, along with the key actions taken to mitigate them.

Strategic Risks

Suboptimal Customer Experience

Zain KSA continued its focus on enhancing customer experience as a key differentiator in a highly competitive market, particularly amid elevated network-related complaints and external benchmarks. During the year, the Company progressed its digital transformation through the successful implementation of a new BSS for B2C, with ongoing efforts to realign customer journeys, digitize internal processes and enhance touchpoint experiences.

Zain KSA also advanced initiatives to increase digital penetration, revamp digital channels and address performance challenges in areas such as gaming and overall digital experience, reflecting its continued commitment to improving service quality, meeting evolving customer expectations and reinforcing its market position.

Successful Implementation of BSS Transformation Program

Zain KSA continued its efforts to successfully implement new BSS as an enabler for enhancing its product portfolio, improving digital customer experience and accelerating B2C digitization. During the year, the program faced some challenges, including extended time-to-market, increased volume of change requests that elevated delivery time, and occasional outages during new launches that affected customer experience while additional pressures emerged from system feasibility limitations.

To mitigate these risks, Zain KSA strengthened its governance and oversight, introduced additional transformation KPIs, implemented new campaign management system with advanced automated targeting and real-time triggering capabilities. The Company is also reassessing its long-term BSS strategy to ensure full realization of the transformation benefits and to secure sustainable support for future revenue and customer growth.

B2C Growth including Digital

Zain KSA continued to prioritize B2C growth, including the prepaid and postpaid segments, as a key driver of market share and revenue. While year-on-year improvements were recorded in both prepaid and postpaid gross additions, profitability and revenue remained under pressure due to higher international costs, increased commissions, competitive dynamics and a decline in Hajj visitors to the Kingdom.

Additionally, fiberization progress has been slower than planned, limiting the Company's ability to meet growing demand for high-speed, low-latency digital services and competing with FWA solutions.

To mitigate these risks, Zain KSA expanded points of sale through compliant partnerships, developed new prepaid and postpaid propositions, strengthened partner and wholesaler management, optimized gross additions from a CVM perspective and established a commission model to balance partner and company profitability. Looking forward, the Company plans to leverage features of the new BSS for innovative and flexible offerings and to develop a roadmap for data monetization use cases, reflecting its ongoing commitment to driving sustainable growth, enhancing customer experience and adapting to evolving market conditions.

B2B Market Competition

Zain KSA continues to navigate a highly competitive B2B market, facing competition from other operators, ISP and G2G players, along with price pressures and limited fiber infrastructure that constrain aggressive pricing. Additional challenges include reduced participation in government tenders, delayed collections from B2B customers, suspension of managed services for corporate clients and limitations in some system capabilities affecting go-to-market initiatives and reporting.

To mitigate these risks, Zain KSA focused on expanding B2B and enterprise solutions, identifying cross-sector value propositions, revamping pricing models, strengthening partnerships to provide end-to-end differentiated offerings and enhancing collections through engagement with new collection agencies. Planned initiatives include fiberization expansion, improving the B2B customer journey, engaging insurance companies to cover managed services and exploring alternative solutions. These measures demonstrate Zain KSA's commitment to sustaining growth, optimizing cash flow and reinforcing its position in the B2B segment.

Data Centre Strategy to Manage Growth

Zain continued to advance its Data Centre strategy to meet growing internal and enterprise demand, recognizing that high utilization levels can affect redundancy, resilience, performance and overall thermal and power stability. Without timely expansion, rising

capacity requirements could lead to service constraints, lost market opportunities and potential customer attrition. Delays in executing planned upgrades may also limit revenue growth and reduce the Company's ability to monetize future digital investments.

To mitigate these risks, Zain KSA strengthened its data center management through optimized space, power and storage utilization, decommissioning and modernization programs and the development of a new data center through strategic partnerships. Planned initiatives also include expanding data center capacity to host internal workloads, enhancing redundancies and overcoming existing infrastructure limitations. These actions underscore the Company's commitment to support digital growth, maintaining operational resilience and safeguarding its competitive position in the evolving digital infrastructure landscape.

Financial Risks

Monetization of Investment in Network

Zain KSA continues to strategically invest in its network to strengthen competitiveness as the third operator in Saudi Arabia, focusing on access expansion, fiber connectivity and 5G SA. Market competition and pricing pressure have impacted margins, affecting the Company's capacity to fund Capex further and meet shareholder expectations.

To mitigate these risks, Zain KSA prioritizes investments linked to regulatory requirements and network needs, evaluates business cases rigorously, leverages new prepaid and postpaid offerings, implements revenue uplift programs and collaborates with other operators on infrastructure sharing. Future initiatives include monetizing 5G SA use cases and applying digital and data analytics to optimize costs and efficiency, ensuring that network investments deliver sustainable growth, enhanced customer experience and robust returns on assets.

Compliance Risks

Evolving Regulatory Regime

Zain KSA continues to navigate an evolving regulatory environment, with recent changes in CST leadership creating uncertainty and potential shifts in enforcement priorities. Key regulatory challenges include new frameworks on business continuity, accessing locally hosted internet content, coverage and mobile service standards and ongoing consultations on FWA speed and market dominance, which may impact competitiveness and profitability.

To mitigate these risks, Zain KSA maintains a robust external stakeholder management strategy, engages proactively with the regulatory bodies, responds promptly to regulatory consultations and ensures network optimization actions are taken to meet coverage and speed requirements. These measures demonstrate the Company's continued emphasis on compliance excellence, forward-looking engagement with regulators and the assurance of uninterrupted delivery of its business objectives.

Data Governance and Privacy

Zain KSA continues to strengthen its data governance and privacy framework in line with the Personal Data Protection Law (PDPL) and NDMO guidelines, addressing risks related to unclear data ownership, weak governance structures and potential delays in project execution due to staffing gaps. To mitigate these risks, the Company has designed and rolled out a comprehensive data protection and governance framework, established mandatory policies and procedures, identified and trained IT and Data Stewards and held weekly steering committee meetings to oversee compliance.

The planned initiatives included fulfilling mandatory roles under regulatory guidelines and creating a dedicated data governance function to oversee Company-wide data requirements. These measures reflect Zain KSA's commitment to minimizing regulatory and reputational risks while ensuring robust, compliant and sustainable data management practices.

Operational Risks

Information Security and Cyber Risks

Zain KSA continues to prioritize cybersecurity as a critical risk, responding to the increasing threats posed by rapid technological advancements, digital innovation, cloud adoption and regional geopolitical events that have elevated DDOS attacks on critical infrastructure. To mitigate these risks, the Company conducts regular security assessments, penetration tests, administers phishing simulations, maintains comprehensive risk assessments for applications, provides employee training and awareness on cybersecurity threats.

The planned initiatives include implementing Group-wide cloud-based DDOS mitigation, enhancing the Cyber Defense Center and strengthening telecom security measures. A key milestone for 2025 was Zain KSA's re-attainment of ISO 27001 certification, reflecting the Company's ongoing commitment to safeguarding its infrastructure, protecting sensitive data and ensuring the continuity and resilience of its services in a dynamic cyber threat landscape.

Talent Management

Zain KSA continues to reinforce its strategic focus on talent management amid growing demand for skilled resources driven by Saudi Vision 2030 and the rapid pace of digital transformation. The Company faces high attrition risks as top talent is increasingly attracted to government, semi-government and other digitally transforming sectors.

To mitigate these risks, Zain KSA conducts forward-looking skill gap assessments, restructures the organization to balance internal reskilling with external hiring and partners with universities to attract resources with in-demand skills. Initiatives such as the Evolve program target digital and technology talent with compelling value propositions, while retention efforts for critical employees include career path development, learning academies, engagement programs, enhanced medical benefits and performance-based incentives. These measures reflect Zain KSA's commitment to sustaining workforce readiness, preserving institutional knowledge and ensuring operational efficiency in a competitive talent landscape.

Board of Directors

Zain KSA's Board of Directors

The Board of Directors represents all shareholders and performs its duties in managing Zain KSA's affairs with care and loyalty. The Board undertakes all actions in the general interest of the Company and strives to develop it and maximize its value. In order to undertake this sensitive role, the Board has the broadest powers in managing the Company and guiding its activities to achieve its strategic objectives.

The Board of Directors comprises a breadth of practical, managerial and technical expertise that contributes to achieving the Company's goals, fostering growth and expanding the business network to enhance sustainability and benefit shareholders.

#	Name	Membership
1	Mr. Saud Aljuhani	Non-Executive
2	Mr. Bader bin Nasser AlKharafi	Non-Executive
3	Mr. Talal AlMamari	Non-Executive
4	Mr. Kamil Hilali	Non-Executive
5	Eng. Nawaf Hisham AlGharabally	Non-Executive
6	Mr. Ossama Michel Matta	Non-Executive
7	Eng. Abdullah Fahad AlFaris	Independent
8	Mr. Zeyad Alhazmi	Independent
9	Mr. Umar AlMahmoud	Independent

Key decisions made by the Board of Directors in 2025

- Recommending to the General Assembly the distribution of cash dividends to shareholders for the fiscal year ending 31 December 2024, amounting to SAR (449,365,000), at SAR 0.5 per share, representing 5% of the nominal value per share.
- Appointment of Board member Eng. Abdullah Fahad AlFaris (Independent member) as a member of the Audit Committee.
- Ending the assignment of Eng. Saad bin Abdulrahman AlSadhan as Acting CEO and officially appointing him as the Company's Chief Executive Officer (CEO).

About Zain KSA's Board of Directors and the Changes during the Year

The Company's Board of Directors consists of nine (9) members, the majority of whom are non-executive members, including at least three (3) independent members.

On Thursday, 24 April 2025, the Ordinary General Assembly convened and approved the election of the Board of Directors for a new four-year term, commencing on 26 April 2025 and ending on 25 April 2029. The members are as follows.

Board of Directors Members, their Positions and Membership Descriptions

Name	Position	Membership
The Board of Directors whose term concluded on 25 April 2025		
H.H. Prince Naif bin Sultan bin Mohammed bin Saud AlKabeer	Chairman	Non-Executive
Mr. Bader bin Nasser AlKharafi	Vice Chairman	Non-Executive
Mr. Ossama Michel Matta	Board member	Non-Executive
Mr. Kamil Hilali	Board member	Non-Executive
Mr. Talal AlMamari	Board member	Non-Executive
Eng. Nawaf Hisham AlGharabally	Board member	Non-Executive
Mr. Saud bin Abdullah AlBawardi	Board member	Independent
Eng. Abdullah Fahad AlFaris	Board member	Independent
Mr. Saad bin Ibrahim AlMoussa	Board member	Independent

Name	Position	Membership
The elected Board of Directors, whose four-year term will continue until 25 April 2029		
Eng. Abdullah Fahad AlFaris	Chairman	Independent
Mr. Bader bin Nasser AlKharafi	Vice Chairman	Non-Executive
Mr. Saud Aljuhani	Board member	Non-Executive
Mr. Ossama Michel Matta	Board member	Non-Executive
Mr. Zeyad Alhazmi	Board member	Independent
Mr. Talal AlMamari	Board member	Non-Executive
Mr. Umar AlMahmoud	Board member	Independent
Mr. Kamil Hilali	Board member	Non-Executive
Eng. Nawaf Hisham AlGharabally	Board member	Non-Executive





Board of Directors' Meetings

The Board of Directors held the following meetings.

S.	Name	1st meeting 17 February 2025	2nd meeting 04 May 2025	3rd meeting 02 June 2025	4th meeting 17 July 2025	5th meeting 18 November 2025
1	H.H. Prince Naif bin Sultan bin Mohammed bin Saud AlKabeer	x	His term of membership ended on 25 April 2025			
2	Mr. Bader bin Nasser AlKharafi	✓	✓	✓	✓	✓
3	Mr. Saad bin Ibrahim AlMoussa	✓	His term of membership ended on 25 April 2025			
4	Mr. Kamil Hilali	✓	✓	x	✓	✓
5	Mr. Ossama Michel Matta	✓	✓	✓	✓	✓
6	Mr. Saud bin Abdullah AlBawardi	✓	His term of membership ended on 25 April 2025			
7	Mr. Talal AlMamari	x	✓	✓	✓	✓
8	Eng. Abdullah Fahad AlFaris	✓	✓	✓	✓	✓
9	Eng. Nawaf Hisham AlGharabally	✓	✓	✓	✓	✓
10	Mr. Saud Aljuhani	His Board membership term has not yet commenced	✓	x	✓	✓
11	Mr. Zeyad Alhazmi	His Board membership term has not yet commenced	✓	✓	✓	✓
12	Mr. Umar AlMahmoud	His Board membership term has not yet commenced	✓	✓	✓	✓

Other Capacities of the Board Members

The following table lists the companies inside and outside the Kingdom of Saudi Arabia in which the Board members serve or have previously served as Board members or senior executives.

Name	Current Board memberships/executive roles in other companies	Previous Board memberships/executive roles in other companies
Eng. Abdullah Fahad AlFaris	<ul style="list-style-type: none"> Member of the Board of Directors and Audit Committee at Marble Design Company Member of the Board of Directors and Chairman of the Nomination and Remuneration Committee at Flynas Deputy Minister for Strategy and Development at the Ministry of Industry and Mineral Resources 	<ul style="list-style-type: none"> Chief Strategy Officer of National Real Estate Registration Services Company, a PIF company Deputy Governor for Strategy at Small and Medium Enterprises General Authority (Monsha'at) Chief of Organizational Strategy at VRO, Ministry of Municipal Rural Affairs and Housing Infrastructure development sector - mobile tower construction, 3G 4G, on-premises coverage, Mobily
Mr. Bader bin Nasser AlKharafi	<ul style="list-style-type: none"> Chairman of Zain Sudan Vice Chairman of the Board at National Investments Company, Kuwait Vice Chairman of the Board at Gulf Cable and Electrical Industries Co. KSCP, Kuwait Vice Chairman of the Board at Mobile Telecommunications Company KSCP (Zain Group) CEO of Zain Group VP of Mohammed Abdulmohsin AlKharafi & Sons (Kuwait) Managing Director of Al-Khatem Telecommunications (Iraq) Vice Chairman of the Board of Directors of INJAZ Foundation, a non-profit organization Member of the Board, member of the Remuneration and Nomination Committee, and Chairman of the Executive Committee for Securities at Kuwait Stock Exchange Member of the Advisory Board for the Middle East Region of the British Coutts Bank Executive Committee Director of Mohammed Abdulmohsin AlKharafi & Sons Group (Kuwait) Board member of Mentor Arabia 	<ul style="list-style-type: none"> Non-Executive Board member at Al-Khatem Telecommunications Board member at Gulf Bank KSCP since 2012 General Manager of MTC Lebanon Vice Chairman of the Board at Diamond Motor Corp. (Mitsubishi)

Name	Current Board memberships/executive roles in other companies	Previous Board memberships/executive roles in other companies
Mr. Ossama Michel Matta	<ul style="list-style-type: none"> Chief Financial Officer at Mobile Telecommunications Company, KSCP, (Zain Group) Kuwait Board member of Zain Sudan Board member of Zain Iraq Board member of TASC Towers Holding Ltd. (UAE) 	<ul style="list-style-type: none"> PWC Senior Auditor (Lebanon and Saudi Arabia) Deloitte & Touche LLP Senior Auditor General Accountant at the Refugees' Fund (Lebanon) Board member at Zain INWI Morocco
Mr. Umar AlMahmoud	<ul style="list-style-type: none"> Chief Executive Officer of Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (Medgulf). Vice Chairman of the Board at Waseel Chairman of the Motor Insurance Subcommittee at the Insurance Authority Member of the Executive Insurance Committee at the Insurance Authority Member of the Health Insurance Subcommittee at the Insurance Authority Member of the Audit Committee at Zain KSA Member of the Telematics Committee at Najm Insurance Services Member of the Executive Committee at MedGulf Member of the Executive Committee of the Bulgarian-Saudi Arabian Business Council at the Federation of Saudi Chambers of Commerce Board member at Zain Saudi Arabia Board member at iO Health 	<ul style="list-style-type: none"> Acting Chief Executive Officer, Mediterranean and Gulf Cooperative Insurance and Reinsurance Co. (MEDGULF) Executive Vice-President, Mediterranean and Gulf Cooperative Insurance and Reinsurance Co. (MEDGULF) Chief Operating Officer (COO), Mediterranean and Gulf Cooperative Insurance and Reinsurance Co. (MEDGULF) Chief Information Officer (CIO), Mediterranean and Gulf Cooperative Insurance and Reinsurance Co. (MEDGULF) VP, Medical & Takaful Services, The Company for Cooperative Insurance (Tawuniya) AVP, Medical & Takaful Division, The Company for Cooperative Insurance (Tawuniya) Director of Systems Development, The Company for Cooperative Insurance (Tawuniya) Systems Development Manager, The Company for Cooperative Insurance (Tawuniya) System Analyst at The Company for Cooperative Insurance (Tawuniya)
Mr. Zeyad Alhazmi	<ul style="list-style-type: none"> Director General of International Legal Affairs at the Ministry of Defense Board member of Zain KSA Chairman of the Nomination and Remuneration Committee - Zain KSA 	<ul style="list-style-type: none"> None
Mr. Saud Aljuhani	<ul style="list-style-type: none"> Board member of Zain KSA 	<ul style="list-style-type: none"> National Industrialization Company; Board member, Chairman of the Risk Committee, Member of the Nomination and Remuneration Committee Saudi National Bank; Board member, Member of the Risk Committee, Member of the Nomination and Remuneration Committee Tabuk Cement Company; Chairman of the Board, Chairman of the Executive Committee
Mr. Kamil Hilali	<ul style="list-style-type: none"> Board member, Chief Executive Officer at TASC Towers Holding Ltd. Chief Strategy and Business Development Officer of Mobile Telecommunications Company, (Zain) KSCP, Kuwait Board member at INWI Morocco Board member at Zood Mall ecommerce platform 	<ul style="list-style-type: none"> Board member in two subsidiaries of the Kuwait Projects Company (KIPCO) Director of Asset Management and Co. & JPMorgan Chase Finance and Business Planning Manager of the Mobile Telecommunications Company, (Zain) KSCP, Kuwait Senior Investment Manager in North Africa Holding Company (Private company owned by KIPCO)
Mr. Talal AlMamari	<ul style="list-style-type: none"> Board member at Zain Group (Iraq, Sudan) Board member at Oman Center for Corporate Governance and Sustainability Board member at PMJPR Properties Ltd. Member of Oman-China Friendship Association Member of Oman-France Friendship Association 	<ul style="list-style-type: none"> CEO of Omantel Chief Financial Officer at Omantel VP, Finance at Omantel Board member at Zain Group (Kuwait)
Eng. Nawaf Hisham AlGharabally	<ul style="list-style-type: none"> Chief Executive Officer of Mobile Telecommunications Company Kuwait (Zain Kuwait) 	<ul style="list-style-type: none"> Chief Technology Officer of Zain Group and Zain Kuwait



Zain KSA Board of Directors Committees

In compliance with the CMA's Corporate Governance Regulations and as part of its commitment to the governance best practices, Zain KSA Board of Directors has two committees: the Audit Committee, and the Remuneration and Nomination Committee. Each Committee has its own roles and responsibilities and work procedures. It also has in place rules and criteria governing the selection and nomination of its members, their term duration and remuneration. All these are set out in a charter recommended by the Board to be approved by the General Assembly.

Audit Committee

The Audit Committee shall be formed by a resolution of the Board of Directors for a period similar to the Board's term. The members shall be shareholders or others who meet all the requirements for membership in the Audit Committee. The Committee's current term commenced on 26 April 2025, and is scheduled to conclude on 25 April 2029, pursuant to the Board's resolution. The Committee consisted of the following members.

Audit Committee Members:

1. Mr. Talal AlMamari: Chairman of the Audit Committee (Non-Executive)
2. Mr. Ossama Michel Matta: Member (Non-Executive)
3. Mr. Umar AlMahmoud: Member (Independent)

Audit Committee Roles and Responsibilities

The Audit Committee is responsible for overseeing the Company's operations and ensuring the accuracy and integrity of its reports, financial statements and internal control system. The quality and effectiveness of these areas were assessed in a number of meetings that were held during 2025 with the Internal Audit Vice President, senior management and the external auditor. This section briefly introduces the Committee's roles and responsibilities, composition and the meetings conducted.

The Committee's roles and responsibilities include its statutory duties as per the CMA Corporate Governance Regulations, the Companies Law, as well as the responsibilities assigned by the Board of Directors. The main responsibilities of the Audit Committee are outlined as follows:

- Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness, and transparency
- Analyzing any important or non-familiar issues contained in the financial reports

- Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon
- Examining and reviewing the Company's internal and financial control systems and risk management system
- Monitoring and overseeing the performance and activities of the Internal Auditor and Internal Audit department of the Company to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties
- Approving the Internal Audit department annual plan
- Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts
- Verifying the independence of the external auditor, its objectivity, fairness and effectiveness of the audit activities, considering the relevant rules and standards
- Reviewing the external auditor's reports and its comments on the financial statements and following up the procedures taken in connection therewith
- Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith
- Reviewing the contracts and proposed related party transactions and providing its recommendations to the Board
- Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken

Internal control

The internal control system plays a vital role in the success of any organization. Accordingly, Zain KSA is committed to ensuring an effective internal control system to achieve regulatory objectives, help protect assets, ensure accurate internal and external reporting, risk reduction and adherence to control requirements. The Audit Committee oversees the work and activities of the Internal Audit function, which periodically reviews the adequacy and effectiveness of the internal control system to provide a continuous assessment of its effectiveness. The Committee also reviews the external auditor's reports and its report to the Board, which may include any internal control deficiencies identified by the external auditor as part of its internal controls assessment.

Based on the above, the Audit Committee considers that the management's overall position in regarding internal control is positive, as the majority of its activities are governed by written policies and procedures, and that the Company responds positively to recommended policies or improvements.

External audit

The Audit Committee evaluated the proposals of external auditors and provided recommendations to the Board of Directors to nominate an external auditor for the Company. After evaluating all proposals based on experience and qualifications, Ernst & Young & Co. (EY) and KPMG were recommended to the Board on 25 March 2025 to be presented to the Annual General Assembly for

the selection of an external auditor. During the General Assembly, held on 24 April 2025 (corresponding to 10/26/1446 AH), KPMG Professional Services was selected as the external auditor to review and audit the quarterly financial statements for the second and third quarters, as well as the annual financial statements for 2025 financial year and the first quarter of 2026, for a total fee of 5,226,000 (excluding VAT).

Audit Committee Meetings

The Audit Committee held five (5) meetings during 2025. The following table includes the meetings attended by each member.

#	Name	Position	16 February 2025	26 February 2025	6 May 2025	24 July 2025	22 October 2025	Total
1	Mr. Talal AlMamari	Chairman	✓	✓	✓	✓	✓	5
2	Mr. Ossama Michel Matta	Member	✓	✓	✓	✓	X	4
3	Mr. Umar AlMahmoud	Independent member	His Committee membership term has not yet commenced		✓	✓	✓	3
4	Eng. Abdullah Fahad AlFaris	Independent member	✓	✓	His term of membership ended upon concluding the committee term			2
5	Mr. Saud bin Abdullah AlBawardi	Independent member	✓	X	His term of membership ended upon concluding the committee term			1

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is composed of three (3) members who were appointed by the Board of Directors on 4 May 2025 for a four-year term, which will end with the conclusion of the Board's session.

Remuneration and Nomination Committee members:

- Mr. Zeyad Alhazmi: Chairman (Independent)
- Mr. Bader bin Nasser AlKharafi: Member (Non-Executive)
- Mr. Kamil Hilali: Member (Non-Executive)

Nomination and Remuneration Committee Roles and Responsibilities

The Nomination and Remuneration Committee is responsible for examining and addressing matters within its scope, such as overseeing membership standards, nomination procedures, remuneration policies and performance criteria for the Board of Directors and executive management. The committee also handles any tasks or matters delegated to it by the Board of Directors. Specifically, the Committee's responsibilities include the following.

A) Remuneration

1. Developing a clear policy for the remuneration of Board members, Board Committees and executive management, and submitting it to the Board of Directors for review prior to its approval by the General Assembly. This policy must adhere to performance-based criteria, ensure transparency and be implemented, without violating the provisions of the Corporate Law, Capital Market Law and their respective executive regulations.

2. Clarifying the relationship between the remuneration granted and the approved remuneration policy for Board members, Board committees and senior executives, and highlighting any material deviation from that policy.
3. Periodically reviewing the remuneration policy and assessing its ability to achieve its objectives.
4. In accordance with the approved policy, advising the Board of Directors on the remuneration of the Board and committee members as well as senior executives.

B) Nominations

1. Suggesting clear policies and standards for membership of the Board of Directors and executive management.
2. Providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
3. Preparing a description of the capabilities and qualifications required for membership of the Board and executive management positions.
4. Determining the amount of time the member shall allocate to the activities of the Board.
5. Annually reviewing the skills and expertise required of the membership of the Board members and executive management.
6. Reviewing the structure of the Board of Directors and executive management and providing recommendations regarding changes that may be made to such structure.



- 7. Annually ensuring the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of Directors of another company.
- 8. Providing job descriptions for the Executive, Non-Executive and Independent Directors and the senior executive management.
- 9. Setting procedures to be followed if the position of a member of the Board or a senior executive becomes vacant.
- 10. Developing a mechanism to annually assess the performance of the Board, its members and Committees and executive management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others.

- 11. Determining the strengths and weaknesses of the Board and recommending remedial solutions that serve the Company's interests.

Remuneration of the Members of the Remuneration and Nominations Committee

Committee members are entitled to an annual remuneration and reimbursement of expenses in accordance with the remuneration policy for Board members, Board Committee members and senior executives.

Remuneration and Nomination Committee Meetings

The Nomination and Remuneration Committee held three (3) meetings during 2025. The table below lists the names of the Committee members, their capacities and their attendance at the meetings.

Name	Position	1st meeting 23 March 2025	2nd meeting 26 June 2025
Eng. Abdullah Fahad AlFaris	Chairman (previous term)	☑	His term of membership ended upon the conclusion of the committee term on 25 April 2025
Mr. Saud bin Abdullah AlBawardi	Member	☑	His term of membership ended upon the conclusion of the committee term on 25 April 2025
Mr. Zeyad Alhazmi	Chairman (after its formation under the new Board term)	His term of membership has not yet commenced	☑
Mr. Bader bin Nasser AlKharafi	Member	His term of membership has not yet commenced	☑
Mr. Kamil Hilali	Member	☑	☑

Zain KSA Leadership

The Board of Directors



Eng. Abdullah bin Fahad AlFaris
Chairman of the Board

Eng. Abdullah bin Fahad AlFaris is Deputy Minister for Strategy and Development at the Ministry of Industry and Mineral Resources. He has extensive experience in the government and private sectors in the fields of strategy, transformation, governance, change management and managing and implementing initiatives and projects. He is a member of the Board of Directors and Audit Committee at Marble Design Company, and a member of the Board of Directors and Chairman of the Nomination and Remuneration

Committee at Flynas. He held several leadership positions throughout his career, including Chief Strategy Officer at one of the Public Investment Fund's subsidiaries, Deputy Governor for Strategy at the Small and Medium Enterprise General Authority (Monsha'at) and Head of Vision Realization Office at the Ministry of Municipality, Rural Affairs and Housing. Eng. AlFaris holds a Master's degree in Business Administration (MBA) from Prince Sultan University and a Bachelor's degree (BSc) in Electrical Engineering from King Saud University.



Mr. Bader bin Nasser AlKharafi
Vice Chairman of the Board and Remuneration and Nominations Committee member

Bader Nasser AlKharafi is one of the Middle East and Africa's most active and influential business leaders. He serves as Chairman, Vice Chairman, Managing Director, CEO, and Board Member across numerous listed and non-listed entities, including those within the Kharafi Group, one of Kuwait's largest privately held, diversified conglomerates. Operating across the GCC and MENA regions, the Group comprises over 135 companies in more than 28 countries and multiple sectors.

From March 2024 to January 2025, he chaired Gulf Bank, one of Kuwait's largest financial institutions. He also holds positions as Vice Chairman of National Investments Company (NIC), Board Member of Foulath Holding B.S.C. and Bahrain Steel BSCC.

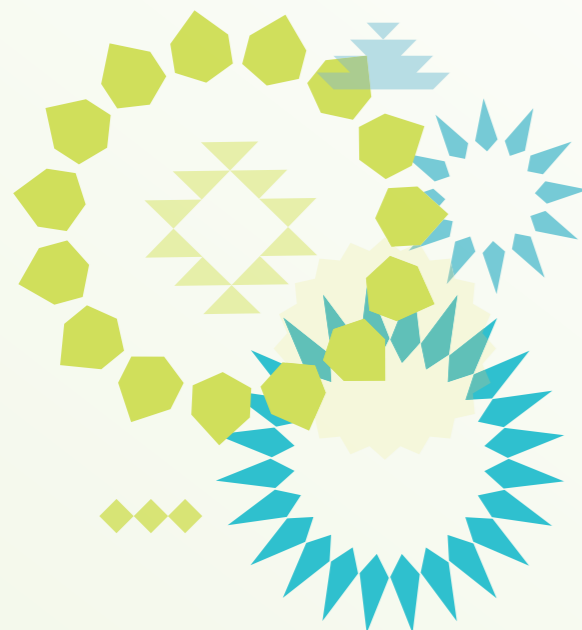
In 2016, Mr. AlKharafi founded BNK Holding, his Kuwait based personal investment firm. It manages a diverse portfolio across healthcare, technology, telecoms, industry, food and beverage, media, manufacturing, real estate, banking, and automotive.

Mr. AlKharafi joined the Zain Group Board of Directors in April 2011 and was appointed Vice Chairman in February 2014. In March 2017, he assumed the role of Group CEO alongside his Vice Chairman position. His key Zain roles include Vice Chairman Zain KSA, Managing Director of AlKhatem Telecommunications Company (Zain Iraq), Chairman of Zain Sudan, Board Member of Zain Bahrain, Chairman of TASC Towers, and Chairman of FOO Solutions.

Additional distinctions include his 2014 appointment to the Middle East Advisory Board of Coutts (Royal Bank of Scotland's wealth division), Chairmanship of Injaz Kuwait, a non-profit empowering regional youth, Board membership in the Kuwait-British Friendship Society (since April 2014), and membership on Kuwait University's Industrial Advisory Board for Mechanical Engineering.

Beyond Zain, Mr. Al-Kharafi is the Chairman of Boursa Kuwait and serves as Vice Chairman of Gulf Cables & Electrical Industries KSC (Kuwait). He is a Board Member of Refreshment Trading Company (Coca-Cola).

Mr. AlKharafi holds an MBA from London Business School and a Bachelor's degree in Mechanical Engineering from Kuwait University. He is currently pursuing a PhD at IE Business School in Spain.



Mr. Saud Aljuhani

Member of the Board



Mr. Saud Aljuhani serves as the Governor Assistant for Insurance Affairs at the General Organization for Social Insurance (GOSI). With over 20 years of experience in insurance and actuarial science, he has held various leadership positions and contributed to formulating financial and operational strategies in Saudi Arabia. Mr. Aljuhani's career has been marked by strengthening governance frameworks, advancing long-term financial planning and driving key decision-making processes across multiple important sectors. In addition to his Board membership at Zain KSA, Mr. Aljuhani serves on the Board of Directors of the National Council for Occupational Safety and Health. He has previously served on the boards and board committees of TASNEE and Saudi National Bank, and as Chairman of the Board of Tabuk Cement Company.

He holds a Master's degree and a Higher Diploma in Actuarial Science from the University of Kent, a Diploma in Actuarial Science from the Nuhanna Foundation & Institute of Actuaries (UK), and a Bachelor of Science in Management Information Systems (MIS) from King Fahd University of Petroleum and Minerals. Mr. Aljuhani has also completed specialized executive courses in leadership, advanced management, strategic decision-making and organizational change from leading institutions such as IMD and INSEAD.

Mr. Ossama Michel Matta

Member of the Board and Audit Committee Member



Mr. Matta is a results-driven senior executive with over 30 years of financial, managerial, operational, strategic, and vendor experience in the mobile and ICT sectors across the MEA region. He joined Zain Group in 2004 and has served as Group Chief Financial Officer since June 2010.

As a key member of the senior executive team, he supports the Group CEO in executing the company's '4WARD-Progress with Purpose' corporate strategy, overseeing financial, investment, operational, and investor relations' matters. Over the years, he has played central roles in the establishment and oversight of multiple Zain Group regional entities that encompass ICT Enterprise, Fintech, Digital API, Tower Infrastructure, and International Wholesale Carrier services.

Mr. Matta maintains trusted relationships with global investment and commercial banking communities, evidenced by his pivotal role in securing over \$25 billion in corporate financing for Zain over the past 22 years, and has cultivated solid relationships with key Zain stakeholders at both Board and management levels. With well-earned expertise in mergers and acquisitions, including synergy identification and post-acquisition implementation, he champions strong corporate governance, procurement, sustainability, and transparency.

Mr. Matta holds an Executive MBA from the American University of Beirut and is a Certified Public Accountant (CPA) from the Oregon (USA) Board of Accountancy.

Mr. Zeyad Alhazmi

Member of the Board and Chairman of the Remuneration and Nomination Committee



Mr. Zeyad Alhazmi currently serves as the Director General of Legal and International Advisory at the Ministry of Defense. With a foundation in international and humanitarian law, international negotiations, corporate governance and the Capital Market Law and its implementing regulations, he brings a strategic approach to aligning legal frameworks with organizational objectives. Throughout his career, he has successfully led licensing initiatives for financial institutions, restructured operational and regulatory procedures, and cultivated high-performing teams, consistently advancing operational excellence and regulatory and institutional compliance.

Mr. Alhazmi has been instrumental in establishing and activating the General Directorate of Legal Affairs at the Ministry of Defense. He has held several senior positions across the government and private sectors, including General Manager of Legal Consultancies and General Manager of International Legal Affairs at the Ministry of Defense. He also served as a legal consultant to leading organizations such as DLA Piper and the Capital Market Authority (CMA).

Mr. Alhazmi holds an LL.M. in International Finance Law from the University of Manchester (2006) and a B.A. in Economics from King Saud University (1996), along with specialized courses in leadership, strategy and professional skills development.

Mr. Talal AlMamari

Member of the Board and Chairman of the Audit Committee



Mr. Talal AlMamari possesses over 27 years of extensive experience in the telecommunications technology sector. He previously served as the CEO of Omantel, preceded by his role as CFO.

Mr. AlMamari has played an instrumental role in various initiatives and projects carried out by Omantel, including the IPO, the restructuring of Omantel by bringing the mobile and fixed operations together, and the full legal merger

of Oman Mobile with Omantel. Furthermore, he managed Omantel's acquisition of a 21.9% stake in Zain Group.

He sits on the boards of several companies and investment funds, including Oman Corporate Governance & Sustainability Centre and AlAmal Fund. He holds a degree in Business Administration from Duquesne University, Pittsburgh, Pennsylvania, U.S.A.

Mr. Umar AlMahmoud
Member of the Board and Audit Committee member



Mr. Umar AlMahmoud is a seasoned future foresight and business strategy expert in the financial and insurance sectors. With more than 20 years of experience, he currently serves as Chief Executive Officer of MEDGULF Saudi Arabia and has previously held senior positions at Tawuniya. Mr. AlMahmoud also holds leadership positions on the boards and committees of various joint stock and private companies, including serving as Vice Chairman of the Board. His career reflects a commitment to advancing sustainable growth initiatives across the financial and insurance sectors by aligning organizational initiatives with Saudi Vision 2030.

Mr. AlMahmoud holds the Associate Digital Insurer (ADI) designation from the Chartered Insurance Institute and a Bachelor of Science in Management Information Systems from King Fahd University of Petroleum and Minerals.

Eng. Nawaf Hisham AlGharabally
Member of the Board



Eng. Nawaf Hisham AlGharabally has been serving as the Chief Executive Officer of Zain Kuwait since March 2024, bringing with him a distinguished career spanning over 26 years within Zain and the telecommunications industry across the Middle East and Africa. He joined the Zain family in 1998 and, over the years, has developed his career to become a key member of the Company's executive management team. He possesses extensive expertise in various fields, including mobile technologies, digital transformation and strategy.

the first company in the region to successfully launch 5G services in 2019. Eng. AlGharabally has also spearheaded efforts to develop and modernize Zain Kuwait's networks in recent years, playing a pivotal role in the expansion of 5G in Saudi Arabia, Bahrain and Jordan, as well as the expansion of 4G in Iraq, Sudan and South Sudan. Additionally, he held high-level technical positions during Zain's operations across 15 African countries between 2005 and 2011.

Before assuming his current role as CEO of Zain Kuwait, Eng. AlGharabally served as the Chief Technology Officer (CTO) for both Zain Group and Zain Kuwait. One of his most notable professional achievements is leading Zain Kuwait to become

Eng. AlGharabally holds a Bachelor's degree in Engineering from Kuwait University, which he earned in 1998, and a Master's degree in Business Administration from the London Business School in 2021.

Mr. Kamil Hilali
Member of the Board and member of the Remuneration and Nomination Committee

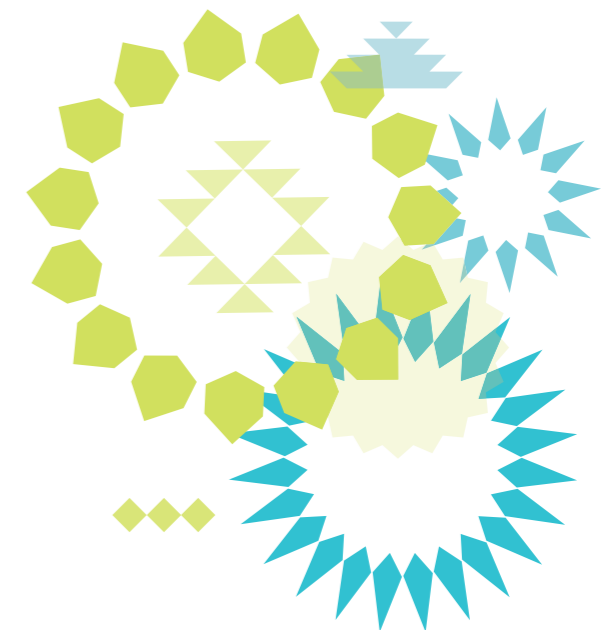


Kamil Hilali is Chief Executive Officer of TASC Towers Holding, with more than twenty years of experience in telecommunications and digital infrastructure. He brings deep expertise in corporate strategy, mergers and acquisitions, capital allocation, and operational leadership, with a proven ability to execute transformations and improve performance in capital-intensive, highly regulated environments.

Earlier in his career, he worked in asset management at JPMorgan Chase & Co. and later in private equity within a KIPCO-affiliated investment platform.

Kamil is the Chief Strategy Officer at Zain Group, where he plays a central role in the company's transformation into a diversified digital and infrastructure-led organization. He also leads group strategy, corporate development, and major M&A initiatives, including the creation and expansion of new business verticals beyond mobile, spanning digital infrastructure, international connectivity, and ICT platforms.

Kamil holds a BSc in Industrial Engineering from the National School of Mineral Industry (Morocco), an MBA from Suffolk University (Boston, USA), and a Master's in Finance from London Business School, and is fluent in Arabic, English, and French.



Executive Management Profiles



Eng. Saad bin Abdulrahman ALSadhan
Chief Executive Officer

Eng. Saad bin Abdulrahman ALSadhan has served as the CEO of Zain KSA since July 2025, bringing over 22 years of experience in telecommunications and information technology.

Throughout his career, Eng. ALSadhan has been recognized for his instrumental role in driving the strategic growth of the Company's enterprise business sector, positioning Zain KSA's suite of solutions and services as a catalyst for digital transformation across the Kingdom's business landscape. He also led strategic relationships and partnerships and spearheaded the development of innovative digital products and solutions.

Eng. ALSadhan played a pivotal role in launching Zain Cloud and fiber services, designed to accelerate digitalization across the public and private sectors. He also contributed to developing a comprehensive digital ecosystem, integrating advanced communications and diverse cloud solutions and vertical 5G applications. Additionally, he managed end-to-

end sales for carriers and operators, significantly enhancing the Company's network capabilities through strategic investments to meet sales requirements across the enterprise and wholesale sectors.

Since joining Zain KSA in April 2016, Eng. ALSadhan has prioritized strategic partnerships, shaping a long-term vision that engages government entities and global tech leaders. His efforts have accelerated the adoption of advanced technologies in Saudi Arabia while promoting knowledge transfer and localization.

Prior to joining Zain KSA, Eng. ALSadhan held several leadership positions at top local and global telecommunications companies. He holds a Bachelor's degree in Electrical Engineering from King Fahd University of Petroleum and Minerals (KFUPM), and is a graduate of Misk's 2030 Leaders Program. Eng. ALSadhan has obtained several professional certifications in Leadership and IT, as well as a General Management certificate from INSEAD.



Mr. Mehdi Khalfaoui
Chief Financial Officer

Mr. Mehdi Khalfaoui holds the position of Chief Financial Officer at Zain KSA and has over 20 years of experience. During his tenure, he made systematic improvements in profitability, dedicating strategic focus to commercial investment, bolstering cash liquidity and improving the capital structure. He played a vital role in scoring several financial achievements for the Company, including the flagship sale and leaseback of Zain KSA's passive infrastructure that involved 8,100 towers. He also led the first dividend distribution to shareholders.

Mr. Khalfaoui has international ICT sector experience in various areas within the telecommunications industry, including financial management, performance monitoring,

budgeting and planning, treasury and corporate finance.

Since 2009, he has held several positions within Zain Group and has succeeded in spearheading transformations focused on cost optimization and operational expense reductions.

Prior to joining Zain KSA in 2017, Mr. Khalfaoui held key strategic roles with leading international telecom companies, serving as a Budget and Planning Analyst for Orascom Telecom and a Financial Analyst for SGCIB. He holds a Master's degree in Corporate Finance from INSEEC and a Professional Learning Experience degree from Harvard Business School for the Program of Leadership Development.



Eng. Mohammad AlNujaidi
Chief Technology Officer

Eng. Mohammad AlNujaidi is an accomplished telecommunications leader with more than 16 years of experience in the industry. He served as the Vice President of Engineering at Zain KSA, and also led the Technology Operations Department, where he oversaw the end-to-end technology planning, delivery and ICT optimization across the organization.

Eng. AlNujaidi has led multiple high-impact projects, driving improvements in network performance and customer experience.

This includes the launch of the 5G-Advanced network and the acquisition of new frequency spectrum in the 600 MHz range. He has also played a key role in Zain KSA's success in several Universal Service Fund (USF) projects in alignment with the Ministry of Communications and Information Technology.

Eng. AlNujaidi holds a Bachelor's degree in Communications and Electronics Engineering from King Saud University.

Mr. Tiago Rocha da Silva
Chief Commercial Officer



Mr. Tiago Rocha da Silva holds the position of Chief Commercial Officer at Zain KSA. He is presently leading the Company's commercial digital transformation, with a focus on enhancing customer experience and introducing innovative products and services, all geared towards positioning Zain KSA as the leading provider of cutting-edge digital innovations in the Kingdom.

Through his work, he led several pioneering studies that have helped expand multiple B2C projects while also supporting Zain KSA's ESG commitments.

Mr. Da Silva brings to Zain KSA over 17 years of experience in Marketing, S&D strategies, brand positioning, customer experience and digital transformation. He previously held leadership roles in Tier 1 Strategy Consulting firms such as Oliver Wyman and Delta Partners, as well as Executive Board Member Advisor at Emerge Solutions Group, and Marketing and Strategy Planning Director at Movitel.

Mr. Da Silva holds a Bachelor's degree in Business Administration and a Master's degree in Executive Business Administration (EMBA) from ISCTE Business School.

Mr. Fahad Alsahmah
Chief Business and Wholesale Officer



Mr. Fahad Alsahmah is an executive with nearly 20 years of experience in the telecommunications industry. Through his role as Chief Business and Wholesale Officer, he leads strategic initiatives across SME, corporate and government segments and drives the growth of Zain KSA's wholesale business.

Previously, as Vice President of B2B Sales, he played a pivotal role in shaping Zain KSA's five-year B2B strategy and driving operational performance. He contributed to the expansion of the enterprise portfolio, delivering advanced cloud, cybersecurity and IoT solutions and cementing the Company's position as a trusted digital partner for public and private sector enterprises.

Prior to joining Zain KSA in 2019, he held several senior positions at leading companies in the telecommunications and industrial sectors. His roles included Government Sales Director and Program Management Director.

Mr. Alsahmah holds a Master's degree in Business Administration from King Saud University and a Bachelor's degree in Management Information Systems from King Fahd University of Petroleum and Minerals (KFUPM). He has completed executive programs at Harvard Business School and London Business School, as well as several training programs at global institutes.

Eng. Abdulaziz AlSubaie
Vice President of Regulatory Affairs and Compliance



Eng. Abdulaziz AlSubaie is Zain KSA's Vice President of Regulatory Affairs and Compliance. Through his role, he provides regulatory support and manages the Company's affairs with the Regulatory Authorities at MCIT and CST, ensuring compliance with regulatory decisions and Company license obligations to facilitate the rollout of Zain KSA's digital services.

Eng. AlSubaie brings with him 15 years of invaluable experience within the Company. Throughout his tenure, he has made significant contributions to various pivotal projects, such as the 5G network deployment, the Reload

Project, the National Roaming Project, the Zain External DPI Project, the SS7 Firewall Deployment Project and the Network Virtualization Project.

Eng. AlSubaie joined Zain KSA as a Core CS Engineer in May 2008. He also held several positions, including Core Quality Supervisor in 2011, Roaming, Interconnect and Government Network Manager in 2014, and Service Operations General Manager in 2018.

Eng. AlSubaie holds a Bachelor's degree in Electronics and Communications Engineering from King Saud University in 2008.

Ms. Maha AlQernas
Executive Vice President of Information Technology



Ms. Maha AlQernas holds the position of Executive Vice President of Information Technology in Zain KSA. She has led several contracting projects and has been accountable for all of the Company's Business Support Systems, including end-to-end channel management, product and services implementation. As the head of the IT department, Ms. AlQernas played a pivotal role in driving the continuous development of strategic projects and ensuring the necessary adaptability to meet the increasing demand for the Company's services.

Ms. AlQernas has led numerous projects, playing a crucial role in advancing and expanding the Company's information

technology and business support systems. Through her role, she emphasized digital readiness and explored the impact of the broader adoption of data solutions on enhancing lifestyles with a focus on cloud services, broadband connectivity and user privacy.

Ms. AlQernas holds a Bachelor's degree in Information Technology from King Saud University, a Master's degree in Business Administration (MBA) from Al-Yamamah University, a Digital Leadership certificate from INSEAD, and a Corporate Finance certificate from Washington University.

Ms. Loluwah AlNowaiser**Executive Vice President of Human Resources**

Ms. Loluwah AlNowaiser holds the position of Executive Vice President of Human Resources at Zain KSA. She heads the Talent Management department, where her leadership is instrumental in shaping human resources strategies, attracting top-tier talent, delivering employee training programs and establishing career pathways to maintain the Company's competitive edge.

Ms. AlNowaiser has spearheaded a transformation program in collaboration with global firms, significantly enhancing the work environment and recruitment landscape. Notable initiatives under her leadership include the launch of Zain Academy and the HIPO initiative, as well as updating policies and conducting market research aimed at improving salaries, propelling Zain KSA to become one of the highest-paying companies in the telecommunications sector. She has also contributed to nurturing and reinforcing Zain KSA's corporate culture while streamlining HR operations, with a focus on improving employee satisfaction and cultivating a

positive work environment. She has effectively contributed to promoting principles of diversity, equity and inclusion (DEI) throughout the organization, developing HR practices and enhancing employee well-being within the workplace. Additionally, she takes the lead in crafting HR policies to ensure compliance with governmental and organizational regulations.

Ms. AlNowaiser started her career with Zain KSA in 2014, where she held several management positions in planning and development. Her most recent role was as the Talent Management General Manager. Prior to joining Zain KSA, she played a key role in the HR division at major international trading corporation, PepsiCo.

She holds a Bachelor's degree in Human Resources Management from King Saud University, alongside several accredited training certificates in HR and business management.

Ms. Njoud AlShehri**Executive Vice President of Strategy & Innovation**

Ms. Njoud AlShehri is the Executive VP of Strategy and Innovation at Zain KSA. She leads the Company's innovation initiatives with a focus on customer-centricity and digitalization.

Ms. AlShehri championed the launch of Zain KSA's Yaqoot brand in 2018, redefining telecom services through an all-digital approach. She led the development of the brand's strategic plans, systems and products, including operations, marketing and sales management, while ensuring regulatory compliance. The brand saw remarkable growth of over 700% from 2019 to 2024 and earned several accolades, including the Most Innovative in Product Services award at the Telecom Review Summit, and the Gold and Silver awards from MMA SMARTIES (the Mobile Marketing Association) for the Best Innovative Marketing Campaign in two categories: Market

Impact and Technology Utilization. As a visionary technology leader, Ms. AlShehri continues to shape a dynamic environment that supports innovation and strategic growth.

In 2014, Ms. AlShehri joined Zain KSA as an engineer in the Networks and Information Technology department. Throughout her career, she held several leadership and technical positions in systems development and marketing.

Ms. AlShehri holds a Bachelor's degree in Computer Science and Information Systems from Princess Nourah University, in addition to professional certificates in leadership, information technology and digital marketing. She won the 2023 Global Merit Leader Women in ICT of the Year award from Telecom Review in recognition of her ICT career and her contributions.

Eng. Fawaz AlHomoud**Vice President of Enterprise Risk and Information Security**

Eng. Fawaz AlHomoud currently serves as Vice President of Enterprise Risk and Information Security at Zain KSA and has contributed to creating and implementing information security policies and procedures that meet world-class standards.

Eng. AlHomoud brings over 18 years of extensive expertise in cybersecurity and strategic development. He has held numerous senior managerial and technical positions across various public and private entities, showcasing a wealth of experience in the field. He served as Senior Manager of IT Security at Qiddiya Investment Company.

Prior to that, Eng. AlHomoud held several positions at Saudi Aramco, including as Head of Corporate Red Team Group and Head of Network Security Group, in addition to several other positions in other institutions.

He holds a Bachelor's degree in Computer Engineering from King Fahd University of Petroleum & Minerals, a Master's degree in Business Administration (MBA) from the Open University of Malaysia and a Master's degree in Information Security from Georgia Tech, in addition to several technical certificates in risk management and information security.



Ms. Eman ALSaidi

Vice President of Corporate Communications



Ms. Eman ALSaidi has served as Vice President of Corporate Communications at Zain KSA since February 2024. She has over 15 years of expertise in corporate communications and public relations.

During her tenure with Zain KSA, Ms. ALSaidi has led the Company's brand identity and corporate image strategy, focusing on corporate sustainability. She has contributed to forging strategic partnerships and generating substantial value for Zain KSA's corporate communications sector.

Her instrumental dedication to corporate sustainability has significantly contributed to upgrading Zain KSA to an AA rating on the MSCI ESG Index.

Prior to joining Zain KSA, Ms. ALSaidi held multiple roles in marketing and media communications. She successfully managed and led several social media campaigns and public relations initiatives for various private sector organizations and government agencies.

ALSaidi holds a Bachelor's degree in Business Administration and Management from AL-Imam Muhammad Ibn Saud Islamic University.

Mr. Faisal Abdullah AlAssaf

Vice President of Legal Affairs and Governance



Mr. Faisal Abdullah AlAssaf serves as the Vice President of Legal Affairs and Governance at Zain KSA. In this role, he has been pivotal in shaping the Company's internal governance framework, implementing legal policies and ensuring that governance practices align with industry best practices.

Mr. AlAssaf boasts over 20 years of extensive experience in legal consultancy, litigation, initial public offerings (IPO), and mergers and acquisitions. He has also held prominent positions including Head of Legal Department, Corporate

Governance Director, and Legal Advisor at several leading companies and law firms.

He holds a Master's degree in Corporate Finance Law from the University of Westminster, UK, a Postgraduate Diploma in International Commercial Law from Swansea University, UK, and a Bachelor's degree in Law from King Saud University.

Corporate Governance Policies

To perform its duties, the Board of Directors adopts a comprehensive set of approved governance policies and regulations. These aim to ensure compliance with relevant laws and regulations, promote transparency and regulate the relationship between the Board, executive management, shareholders and stakeholders. Key policies include the following.

Company Governance Framework

The Company's governance framework defines the general principles for leading, directing and guiding the Company in accordance with best governance practices. It encompasses mechanisms to regulate the various relationships between the Board of Directors, senior executives, shareholders and stakeholders, while establishing the general responsibilities and duties to be followed by all parties.

Board of Directors' Charter

This policy defines the controls and procedures governing the Board's work mechanisms, including its duties, responsibilities and authorities, as well as the organization and requirements of Board meetings. The policy aims to ensure that the Board fulfills its role effectively and transparently.

Conflict of Interest Policy

This policy is designed to address cases where a member of the Board, its Committees, executive management or any Company employee may have an interest that conflicts with the Company's interests. It outlines the mandatory procedures to be followed by the interested party in relation to any proposed transaction or contract, including strict adherence to disclosure requirements.

Disclosure and Transparency Policy

This policy governs the appropriate methods for disclosing financial and non-financial information to shareholders and stakeholders, ensuring they are accurately and timely informed of developments. It covers disclosures related to the Board's report, changes in the composition of the Board, Audit Committee or executive management, as well as financial information, material events and commercial transactions in accordance with regulatory requirements. The policy also governs disclosures of related-party transactions and communications with competent supervisory authorities.

Shareholders' Rights Policy

This policy outlines the rights associated with shares and the methods for exercising them. It also details shareholders' rights in General Assemblies and the channels available for communication with the Company, including the submission of inquiries and requests.

Relationship with Stakeholders Policy

This policy regulates the relationship between the Company and its stakeholders to ensure their rights are protected. It defines how to address any breach of these rights and the procedures for providing fair compensation where applicable. It also establishes transparent and equitable processes for handling and resolving complaints.

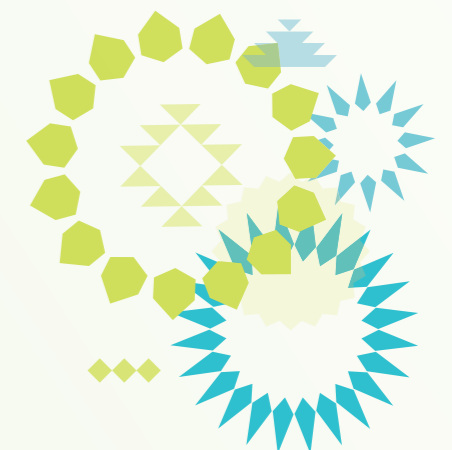
Code of Conduct Policy

The Company places paramount emphasis on upholding a high standard of ethical and professional conduct across all its activities and operations. This policy, formulated to regulate actions and behavior, defines a set of fundamental principles and rules that must be consistently followed during the discharge of job responsibilities, representation of the Company, or interactions with clients, suppliers and external parties. Its scope encompasses the entire organizational hierarchy, including the Board of Directors, executive management and all employees.

Remuneration Policy for the Members of the Board, its Committees and the Executive Management

This policy establishes a comprehensive framework governing the principles and controls of remuneration, ensuring fairness and transparency. It is designed to attract, retain and motivate top professional talent, encouraging them to achieve the Company's objectives while enhancing performance and sustaining long-term growth.

The policy contributes to aligning the interests of the Company, Board members and senior executives with those of the shareholders, in accordance with relevant laws and regulations and in line with the Company's strategy and objectives.



Board Remuneration

The following sections contain details of remunerations paid during 2025.

(All amounts mentioned below are in Saudi Riyals)

Board Members	Fixed Remuneration						Variable Remuneration						Expense Allowance		
	Specific Amount	Allowance for Attending Board Meetings	Total Allowance for Attending Committee Meetings	In-kind Benefits	Remunerations for technical managerial and consultative work	Remunerations of the Chairman, Managing Director or Secretary	Total	Profit Share	Periodic Remunerations	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares (insert the value)		Total	End-of-service Benefits
First: Independent Members															
Mr. Saud bin Abdullah AlBawardi	500,000					500,000									500,000
Eng. Abdullah bin Fahad AlFaris	400,000					400,000									400,000
Mr. Saad bin Ibrahim AlMoussa	500,000					500,000									500,000
Total	1,400,000					1,400,000									1,400,000
Second: Non-Executive Members															
H.H. Prince Naif bin Sultan bin Mohammed bin Saud AlKabeer	500,000					500,000									500,000
Mr. Bader bin Nasser AlKharafi	500,000					500,000									500,000
Mr. Ossama Michel Matta	500,000					500,000									500,000
Mr. Martial Caratti	300,000					300,000									300,000
Mr. Kamil Hilali	500,000					500,000									500,000
Mr. Talal AlMamari	400,000					400,000									400,000
Eng. Nawaf Hisham AlGharabally	100,000					100,000									100,000
Total	2,800,000					2,800,000									2,800,000

Committee's Remuneration

(All amounts mentioned below are in Saudi Riyals)

Committee Members	Fixed Remuneration	Allowance for Attending Meetings	Total
Audit Committee Members			
1 Mr. Martial Caratti	-	75,000	75,000
2 Mr. Ossama Michel Matta	-	100,000	100,000
3 Mr. Saud bin Abdullah AlBawardi	-	75,000	75,000
4 Mr. Talal AlMamari	-	25,000	25,000
Total	-	275,000	275,000
Nomination and Remuneration Committee			
1 Mr. Saud bin Abdullah AlBawardi	-	50,000	50,000
2 Mr. Ossama Michel Matta	-	50,000	50,000
3 Mr. Kamil Hilali	-	50,000	50,000
Total	-	150,000	150,000

Senior Executives' Remuneration

The following table includes details relating to the remuneration of five (5) executives who received the highest remuneration from Zain KSA, including the CEO and CFO.

(All amounts mentioned below are in Saudi Riyals)

Senior Executives	The total remuneration of the five senior executives who received the highest remuneration	
Fixed Remuneration	Salaries	7,143,355.37
	Allowances	2,997,104.92
	In-kind Benefits	277,271.50
	Total	10,417,731.79
Variable Remuneration	Periodic Remunerations	-
	Profit	-
	Short-Term Incentive Plans	6,315,090.19
	Long-Term Incentive Plans	-
	Granted Shares (insert the value)	-
Total	16,732,821.98	
End-of-service Benefits	780,262.49	
Total Board-related Remuneration for Executives, if any	-	
Total	17,513,084.47	

It is worth noting that all remuneration granted during 2025 is in line with the approved Remuneration Policy and the salary scale approved by the Board of Directors, with no material deviations.

Employees' End-of-service Benefits

The value of employees' end-of-service benefits at Zain KSA amounted to **ﷲ** 147.626 million as at 31 December 2025.

Dividend Distribution Policy

The Company's dividend distribution policy is governed by the provisions of its Articles of Association and the relevant laws and regulations. The General Assembly determines the dividends. It may also create reserves from profits to serve the Company's interests or ensure the distribution of fixed dividends. Furthermore, it may allocate amounts for the purpose of establishing social programs for the Company's staff.

The General Assembly determines the percentage (share) of net profits to be distributed to shareholders after deducting reserves, if any. Distributable profits consist of the fiscal year's net income after deducting amounts allocated to reserves, plus retained earnings and distributable reserves formed from profits.

Without prejudice to the foregoing, the Company's approved policies and regulations govern the mechanism and percentages of dividend distribution, as well as the reserves allocated for specific purposes. The Company may distribute interim dividends to shareholders on a semi-annual or quarterly basis, subject to compliance with regulatory requirements and pursuant to an authorization granted by the Ordinary General Assembly to the Board of Directors.

The Board of Directors, pursuant to its resolution dated 17 February 2025, recommended the distribution of cash dividends to shareholders totaling **ﷲ** 449,365,000 for the fiscal year 2024. The Ordinary General Assembly, held on 24 April 2025, approved the distribution of cash dividends representing 5% of the nominal value per share, equivalent to **ﷲ** 0.50 per share.

Our Shareholders

Zain KSA has a dedicated Investor Relations team responsible for managing relationships with shareholders and investors, addressing inquiries from local and international investors, and considering their comments and suggestions. The team also works to manage market expectations and provide comprehensive and transparent disclosure of all relevant information.

Investor relations play a key role in supporting the objectives of Saudi Vision 2030 aimed at diversifying the economy, opening the capital market to foreign investors and promoting best governance practices, particularly following the inclusion of the Saudi market in global indices. This aligns with the leading role played by the Capital Market Authority and the Saudi Exchange (Tadawul).

The Investor Relations department maintains proactive engagement with the financial community and fosters constructive relationships with all stakeholders. It facilitates dialogue between the Board of Directors and the Chief Executive Officer to communicate investors' expectations and perspectives. The department provides multiple communication channels, including email (investor.relations@sa.zain.com), telephone (+966-59-244-8888), and participation in local and international conferences.

The Investor Relations department also receives inquiries, proposals and remarks from shareholders and investors concerning the Company and its performance. These matters are coordinated with the Board of Directors and executive management to take appropriate actions, where necessary, in the best interests of the Company.

Investor Relations

The following table sets out the shareholders who own 5% or more of the Company's shares and details of their ownership during 2025.

#	Shareholder	As at 01 January 2025		As at 31 December 2025		Net Change	% Change
		No. of Shares	% Ownership	No. of Shares	% Ownership		
1	Mobile Telecommunications Company K.S.C.P.	332,935,919	37.045%	332,935,919	37.045%	-	0

Key Announcements of Zain KSA

Date	Announcement
30 January 2025	Mobile Telecommunications Company Saudi Arabia (Zain KSA) announces the appointment of an Audit Committee member
09 February 2025	Mobile Telecommunication Company Saudi Arabia (Zain KSA) announces the opening of the nomination period for the board of director's membership
13 February 2025	Mobile Telecommunication Company Saudi Arabia (Zain KSA) announces Obtaining a Murabaha facility
18 February 2025	Mobile Telecommunications Company Saudi Arabia (Zain KSA) announces its annual financial results for the year ended 31 December 2024
18 February 2025	Mobile Telecommunications Company Saudi Arabia (Zain KSA) announces the Board of Directors' recommendation to distribute cash dividends to shareholders for the fiscal year 2024
27 March 2025	Mobile Telecommunications Company Saudi Arabia (Zain KSA) invites its shareholders to attend the Ordinary General Assembly Meeting (first Meeting) via modern technology means
20 April 2025	Mobile Telecommunication Company Saudi Arabia (Zain KSA) announces starting the Electronic Voting of the Ordinary General Assembly Meeting (first meeting)
27 April 2025	Mobile Telecommunications Company Saudi Arabia (Zain KSA) announces the results of the Ordinary General Assembly Meeting (first Meeting)
05 May 2025	Mobile Telecommunications Company Saudi Arabia (Zain KSA) announces the formation of the Audit Committee
05 May 2025	Mobile Telecommunications Company Saudi Arabia (Zain KSA) announces the appointment of the Chairman and Vice Chairman of the Board of Directors, the formation of Board Committees, and the appointment of the Company's representatives
07 May 2025	Mobile Telecommunication Company Saudi Arabia (Zain KSA) announces its interim financial results for the period ended on 31 March 2025 (three Months)
30 June 2025	Mobile Telecommunication Company Saudi Arabia (Zain KSA) announces the termination of the Acting CEO and appointing him as CEO of the Company
27 July 2025	Mobile Telecommunications Company Saudi Arabia (Zain KSA) announces its interim financial results for the period ended 30 June 2025 (six months)
15 September 2025	Mobile Telecommunications Company Saudi Arabia (Zain KSA) announces the signing of a 5.5 billion Murabaha facility agreement
26 October 2025	Mobile Telecommunications Company Saudi Arabia (Zain KSA) announces its interim financial results for the period ended 30 September 2025 (nine months)

Dividend Distribution

Announcement Date	Due Date	Distribution Date	Distribution Method	Distributed Dividend
18 February 2025	24 April 2025	15 May 2025	Deposit in account	0.50

Shareholder Meetings

Below is the attendance record of the Board of Directors at the Ordinary General Assembly Meeting held on 26 Shawwal 1446H, corresponding to 24 April 2025, at 19:00, with an attendance rate representing 58.45% of the Company's capital.

The General Assembly meeting was hosted at the Company's headquarters in Riyadh, and shareholders attended through modern technology means. The following members of the Board of Directors were present.		
#	Name	Attendance
1	H.H. Prince Naif bin Sultan bin Mohammed bin Saud AlKabeer	✓
2	Mr. Bader bin Nasser AlKharafi	✓
3	Mr. Ossama Michel Matta	✓
4	Mr. Saud bin Abdullah AlBawardi	✓
5	Mr. Kamil Hilali	✓
6	Eng. Abdullah Fahad AlFaris	✓
7	Mr. Talal AlMamari	✓
8	Mr. Nawaf AlGharabally	✓
9	Mr. Saad bin Ibrahim AlMoussa	×

During the meeting, the Ordinary General Assembly discussed the following agenda items and approved them by majority vote of the shares represented.

#	Agenda
1	Approved of the election of members of the board of directors from among the candidates for the next term, which starts on 26 April 2025 and lasts for 4 years, ending on 25 April 2029, They are: <ul style="list-style-type: none"> Mr. Saud Aljuhani (Non-Executive) Mr. Bader bin Nasser AlKharafi (Non-Executive) Mr. Talal AlMamari (Non-Executive) Mr. Kamil Hilali (Non-Executive) Eng. Nawaf AlGharabally (Non-Executive) Mr. Ossama Michel Matta (Non-Executive) Eng. Abdullah Fahad AlFaris (Independent) Mr. Zeyad Alhazmi (Independent) Mr. Umar AlMahmoud (Independent)
2	The Board of Director's report for the fiscal year ending on 31 December 2024, was reviewed and discussed.
3	The financial statements for the fiscal year ending on 31 December 2024, was reviewed and discussed.
4	Approved External Auditor Report for the fiscal year ended on 31 December 2024 after discussing it.
5	Approved the appointment of an External Auditor for the Company KPMG Professional Services based on the recommendation of the Audit Committee to review and audit financial statements of the second quarter, third quarter and the annual of the fiscal year 2025, in addition to first quarter of 2026, and determine its fees amounting to 5,226,000, excluding VAT.
6	Approved on the Board of Directors Resolution to appoint Mr. Nawaf Hisham AlGharabally as a Non- Executive Board Member to the Board of Directors, starting from date of his appointment on 22 December 2024 until end of the current term of the Board of Directors on 25 April 2025 in the Vacant Seat in the Board of Directors.
7	Approved the discharge of Board of Directors members for the fiscal year ended on 31 December 2024.
8	Approved the disbursement of (4,500,000) as remuneration to the Board members for the fiscal year ended on 31 December 2024.
9	Approved the delegating the Ordinary General Assembly's authorization mentioned in Paragraph (1) from Article (27) of the Companies Law, for a period of one year from the date of approval of the Ordinary General Assembly or until the end of the term of the delegated Board, whichever is earlier, pursuant to the terms mentioned in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.



#	Agenda
10	Approved the recommendation of the Board of Directors to distribute cash dividends to the shareholders for the fiscal year ending 31 December 2024, amounting to (ﷲ 449,365,000) at (ﷲ 0.5) per share representing (5%) of the nominal value per share. The eligibility of Cash dividends will be to shareholders who own the company shares by the end of the trading day of the General Assembly of the company and who are registered in the Company's shareholders record at Securities Depository Center Company (Eadaa) at the end of the second trading day following the eligibility date. The dividend distribution will start on Thursday 17/11/1446 AH, corresponding to 15 May 2025.
11	Approved the business and contracts concluded between the company and Zain group K.S.C.P in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser AlKharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Martial Caratti (Former Board Member), Mr. Kamil Hilali (Board Member), Mr. Talal AlMamari (Board Member), and Mr. Nawaf Hisham AlGharabally (Board Member), which are administrative fees, and Branding Fee, noting that the transactions amounted to (ﷲ 170,000,000) for the fiscal year 2024. And there is no Preferential terms for this contract.
12	Approved the business and contracts concluded between the company and Zain group K.S.C.P Subsidiaries, in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser AlKharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Martial Caratti (Former Board Member), Mr. Kamil Hilali (Board Member), Mr. Talal AlMamari (Board Member), and Mr. Nawaf Hisham AlGharabally (Board Member), which are Telecom Services (interconnect/roaming), noting that the provided transactions amounted to (ﷲ 42,507,000), and received transactions amounted to (ﷲ 90,342,000) for the fiscal year 2024. And there is no Preferential terms for this contract.
13	Approved the business and contracts concluded between the company and Hulool ZainTECH for Information Technology, in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser AlKharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Martial Caratti (Former Board Member), Mr. Kamil Hilali (Board Member), Mr. Talal AlMamari (Board Member), and Mr. Nawaf Hisham AlGharabally (Board Member), which are Licensing fees, noting that the transactions amounted to (ﷲ 2,225,000) for the fiscal year 2024. And there is no Preferential terms for this contract.
14	14-Approved the business and contracts that will take place between the company and Hulool ZainTECH for Information Technology in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser AlKharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Kamil Hilali (Board Member), Mr. Talal AlMamari (Board Member), and Mr. Nawaf Hisham AlGharabally (Board Member), which is a leasing contract, noting that the transactions amounted to (ﷲ 5,900,000) and it will start in 2025. And there is no Preferential terms for this contract.
15	Approved the business and contracts that will take place between the company and Hulool ZainTECH for Information Technology in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser AlKharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Kamil Hilali (Board Member), Mr. Talal AlMamari (Board Member), and Mr. Nawaf Hisham AlGharabally (Board Member). It consists of providing a technical and information services, worth (ﷲ 87,377,000), and to be implemented in 2025. And there is no Preferential terms for this contract.
16	Approved the business and contracts that will take place between the company and Zain Omantel International ZOI in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser AlKharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Kamil Hilali (Board Member), Mr. Talal AlMamari (Board Member), and Mr. Nawaf Hisham AlGharabally (Board Member). It consists of purchase contracts, worth (ﷲ 79,670,000), in fiscal year 2025. And there is no Preferential terms for this contract.
17	Approved the business and contracts that will take place between the company and Zain Global Communications Co. SPC in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser AlKharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Kamil Hilali (Board Member), Mr. Talal AlMamari (Board Member), and Mr. Nawaf Hisham AlGharabally (Board Member). It consists of Providing technical and information services, worth (ﷲ 1,204,000), to be implemented in 2025. And there is no Preferential terms for this contract.
18	Approved the business and contracts that will take place between the company and FOO Holding Sal. in which the members of the Board of Directors have an indirect interest: Mr. Bader Nasser AlKharafi (Vice chairman), Mr. Osama Matta (Board Member), Mr. Kamil Hilali (Board Member), Mr. Talal AlMamari (Board Member), and Mr. Nawaf Hisham AlGharabally (Board Member). It consists of purchase contracts, worth (ﷲ 1,758,000), to be implemented in 2025. And there is no Preferential terms for this contract.
19	Approved the business and contracts concluded between the company and AlMarai company, in which the Chairman of the Board of Directors has an indirect interest: HH Prince Naif bin Sultan bin Mohammed bin Saud AlKabeer, which are Telecom Services (interconnect/roaming), noting that the transactions amounted to (ﷲ 5,150,000) for the fiscal year 2024. And there is no Preferential terms for this contract.
20	Approved the business and contracts concluded between the company and Yamama Cement company, in which the Chairman of the Board of Directors has an indirect interest: HH Prince Naif bin Sultan bin Mohammed bin Saud AlKabeer, which is Telecom Services(interconnect/roaming), noting that the transactions amounted to (ﷲ 2,081,000) for the fiscal year 2024. And there is no Preferential terms for this contract.
21	Approved the business and contracts concluded between the company and Golden Lattice company, in which the Chairman of the Board of Directors has an indirect interest: HH Prince Naif bin Sultan bin Mohammed bin Saud AlKabeer, which is the Towers sale transaction, noting that the transactions amounted to (ﷲ 3,026,000,000) for the fiscal year 2023. And there is no Preferential terms for this contract.
22	Approved the business and contracts concluded between the company and Golden Lattice company, in which the Chairman of the Board of Directors has an indirect interest: HH Prince Naif bin Sultan bin Mohammed bin Saud AlKabeer, which is Towers rental and operating expenses, noting that the transactions amounted to (ﷲ 510,589,000) for the fiscal year 2023. And there is no Preferential terms for this contract.
23	Approved the business and contracts concluded between the company and Golden Lattice company, in which the Chairman of the Board of Directors has an indirect interest: HH Prince Naif bin Sultan bin Mohammed bin Saud AlKabeer, which is Towers rental and operating expenses, noting that the transactions amounted to (ﷲ 815,867,000) for the fiscal year 2024. And there is no Preferential terms for this contract.

Shareholders' Registers

The Company requested a total of 12 shareholder registers during 2025 to analyze and interact with investors and answer their inquiries.

Details of such requests are shown on the following table.

Sr.	Date of Request	Date of Shareholder Register	Objective
1	15 January 2025	31 December 2024	Engage in investor analysis, interact with investors and address their inquiries.
2	13 March 2025	12 March 2025	
3	07 April 2025	02 April 2025	
4	07 April 2025	06 April 2025	
5	20 April 2025	20 April 2025	
6	23 April 2025	23 April 2025	
7	24 April 2025	24 April 2025	
8	11 May 2025	07 May 2025	
9	11 May 2025	11 May 2025	
10	23 October 2025	21 October 2025	
11	23 October 2025	21 October 2025	
12	31 December 2025	30 September 2025	

Interest in Shares and Debt Instruments

The Board of Directors

The following table includes all available details about interest, contractual securities or rights issued to the Board members and their relatives in the Company's shares during 2025.

Member of the Board	Shares Owned		Net Change	% Change
	As at 01 January 2025	As at 31 December 2025		
H.H. Prince Naif bin Sultan bin Mohammed bin Saud AlKabeer	768	His term of membership ended upon concluding the previous Board term	-	-
Mr. Bader bin Nasser AlKharafi	1,183	1,183	-	0%
Mr. Saud bin Abdullah AlBawardi	1,538	His term of membership ended upon concluding the previous Board term	-	-
Mr. Saad bin Ibrahim AlMoussa	100	His term of membership ended upon concluding the previous Board term	-	-
Eng. Abdullah Fahad AlFaris	-	100	100	-
Mr. Umar AlMahmoud	His Board membership term has not yet commenced	100	100	-
Mr. Zeyad Alhazmi	His Board membership term has not yet commenced	8,000	8,000	-

None of the Board members mentioned above or their relatives have any interest in the Company's debt instruments during 2025.

Executive Management

The following table includes all available details about interest, contractual securities or rights issued to the executive management members and their relatives in the Company's shares during 2025.

Executive Manager	Shares Owned		Net Change	% Change
	As at 01 January 2025	As at 31 December 2025		
Eng. Saad bin Abdulrahman AlSadhan	22	22	0	0%
Ms. Loluwah Saad AlNowaiser	11	111	100	909%
Mohammad Abdulaziz AlNujaidi	11	11	0	0%

None of the executive management members mentioned above or their relatives have any interest in the Company's debt instruments during 2025.

Regulatory Affairs and Compliance (RAC)

Zain KSA's Regulatory Affairs and Compliance (RAC) continues to play a pivotal role in strengthening regulatory governance and ensuring sustainable compliance by embedding compliance practices across all business functions, fostering a culture of regulatory and legislative adherence, and providing the necessary support for the implementation of applicable laws and regulations. RAC also works proactively to mitigate non-compliance risks through developing and circulating internal compliance monitoring matrices to the relevant departments across the Company. In addition, RAC manages all regulatory matters and maintains direct coordination with the Ministry of Communications and Information Technology and the Communications, Space & Technology Commission (CST) to ensure full adherence to regulatory requirements related to the Company's licensed activities. Its responsibilities include facilitating the delivery and deployment of Zain KSA's digital services, supervising the issuance and renewal of licenses, submitting the net telecommunications revenue (NTR) declaration along with supporting documentation and identifying regulatory opportunities that support business growth through active engagement in CST initiatives and submission of formal feedback following thorough review of regulatory developments in the Kingdom's telecommunications and ICT sector.

RAC contributed to the success of the 2025 Hajj season through the implementation of regulatory initiatives in coordination with CST aimed at enhancing and protecting the experience of pilgrims. CST extended its appreciation to the Company for these efforts, most notably the adoption of a digital verification mechanism enabling pilgrims to obtain eSIMs through a fully integrated digital journey without the need to visit physical sales outlets. Zain KSA became the first operator in the Kingdom to implement this mechanism via its digital channels. Zain KSA also supported a proposal to intensify on-site presence at pilgrims' accommodation facilities, which improved the overall experience and reduced congestion at external sales outlets. Effective oversight controls were also applied, resulting in zero violations recorded during the season.

Zain KSA is the first operator in the Kingdom to obtain approval to launch the transfer of embedded SIMs (eSIMs) between Apple devices. The Company is also among the first operators to adopt the National Application Management Solution in support of CST's strategy to develop local vendors. Furthermore, the Company received recognition from the Ministry of Interior during the Hajj Conference and Exhibition for its role in the "No Hajj Without a Permit" campaign, reflecting its commitment to serving pilgrims, safeguarding corporate interests and avoiding potential legal or financial repercussions.

RAC also contributed to mitigating regulatory risks associated with several significant regulatory matters, most notably mobile coverage and speed regulations and tower fiber connectivity regulations, regarding which the Company formally expressed its reservations. As a result, enforcement of these regulations was suspended pending completion of the relevant studies by the concerned authorities. RAC further continued efforts to mitigate the impact of amendments to the Frequency Licensing Fees Regulations, resulting in improved financial terms for the Company. In addition, RAC supported the rescheduling of collection procedures applicable to the Company and secured certain financial exemptions in coordination with CST. This provided the Company with extended and flexible timelines to address potential regulatory procedures while safeguarding its interests and maintaining operational stability without exposure to legal or financial consequences.

In strengthening user security and protection, Zain KSA implemented Project 330330 in cooperation with CST to limit the misuse of communication channels and messaging services in financial fraud schemes. The Company adopted proactive rules and preventive measures that substantially reduced fraud complaints associated with customer numbers within one year, while continuously enhancing operational frameworks to improve detection efficiency and curb abuse attempts via voice calls and SMS.

To accelerate approval cycles and enhance regulatory compliance levels, RAC updated internal policies and procedures and launched a fully integrated digital platform to streamline and expedite tariff approval requests. This initiative enabled all relevant internal stakeholders to access updated procedures efficiently, thereby enhancing compliance and reducing the likelihood of potential violations. RAC also continues to monitor potential anti-competitive practices that may affect the competitive landscape or the Company's strategy, submit necessary representations and assess the implications of new regulatory decisions to safeguard Zain KSA's interests, promote market fairness and enable efficient adaptation to legal and regulatory changes.

Through these integrated and ongoing efforts, the Regulatory Affairs and Compliance Sector reinforces Zain KSA's competitive position and supports its strategic growth and success in 2025 and beyond within an evolving and equitable regulatory environment, ensuring sustainable compliance, protection of corporate interests and strengthened user trust.

Legal Department

The Company is party to a number of legal proceedings before various courts of competent jurisdiction, including cases arising from decisions issued by the Committee for the Consideration of Violations of the Communications Law and its Implementing Regulations. The Committee has issued several decisions against the Company, with the value of those under judicial review amounting to 25,459,000 as at 31 December 2025. The Company has filed objections before the Administrative Court in respect of these decisions, and certain matters remain pending before the Administrative Court and the Administrative Court of Appeal as at the date of this report.

The Company resorts to the competent judicial authorities to ensure the decisions issued against it are fair, reasonable and consistent with the laws and regulations applicable in the Kingdom of Saudi Arabia. It continues to pursue all lawful remedies available to safeguard its rights and exercises due diligence to mitigate and prevent the recurrence of similar decisions in the future.



Operational Results and Declarations

The operating profit was ₪ 1,313 million in FY-2025, compared to the operating profit of ₪ 1,199 million in the previous year. In 2025, Zain KSA recorded its highest revenue ever, reaching ₪ 10.98 billion vs ₪ 10.36 billion; representing a growth of 6% (₪ 618 million). This increase is driven by the growth in consumer segment mainly from 5G, wholesales revenue, in addition to the growth in "Tamam" business.

1. Balance Sheet Highlights

₪ million	2025	2024	2023	2022 (restated)	2021	Change	Change %
	Audited	Audited	Audited	Audited	Audited	2025/2024	2025/2024
Current assets	8,142	7,313	6,753	7,481	3,781	829	11%
Non-current assets	20,611	20,823	20,625	20,980	24,302	(212)	(1%)
Total assets	28,753	28,136	27,378	28,461	28,083	617	2%
Current liabilities*	6,365	12,700	8,006	9,250	10,448	(6,417)	(50%)
Non-current liabilities*	11,512	4,729	8,781	9,408	8,593	6,865	148%
Total liabilities	17,877	17,429	16,787	18,658	19,041	448	3%
Shareholders' equity	10,876	10,707	10,591	9,803	9,042	169	2%
Total liabilities and shareholders' equity	28,753	28,136	27,378	28,461	28,083	617	2%

Source: Audited financial statements for the years ended 2021, 2022, 2023, 2024 and 2025. Note: Numbers may not sum up due to the rounding

* Balance reclassified in comparative figures of 2024 between current and non-current liabilities during the year

The total assets of the Company as at 31 December 2025, amounted to ₪ 28,753 million, of which ₪ 10,885 million (constituting 38% of the total assets) relate to the book value of the license obtained by the Company from the Communication, Space and Technology Commission in 2007. In addition, property and equipment were valued at ₪ 4,770 million, which is 17% of the total assets.

At the same date, the Company's total liabilities amounted to ₪ 17,877 million, of which 48% – amounting to ₪ 8,623* million (loan and shareholders dues amount only) – is related to the following:

1. New Syndicate Murabaha Facility
2. New Working Capital Murabaha Facility
3. Murabaha Facility Agreement
4. ARB CAPEX loan
5. Shareholders' dues

*This amount is netted off with a transaction cost of ₪ 53.8 million pertaining to the New Murabaha facility, Murabaha Facility Agreement and ARB CAPEX loan.

2. Overview of the Company's Borrowings

As at 31 December 2025, gross principal outstanding balances owed to the bank under borrowing arrangements amounted to ₪ 8,563 million. Other borrowing arrangements amount to ₪ 60.4 million.

The following table summarizes those borrowing arrangements.

₪ million	Term	Principal Amount	Net repaid/ Addition during 2025	Lender	Outstanding Balance (Gross)	Maturity
New Syndicate Murabaha Facility	5 years	5,500	5,500	Consortium of five banks	5,500	30 September 2030
New Working Capital Murabaha Facility	1 year	170	170	Al Rajhi Bank	170	N/A
Murabaha Facility Agreement	5 years	1,934	1,934	Al Rajhi Bank	1,934	17 February 2030
ARB CAPEX loan	10 years	1,012	265	Al Rajhi Bank	1,012	23 April 2034
Dues from shareholders	Open	5,020	(8)	Founding shareholders	60	Open
Total		13,636	7,861		8,676	

Source: Audited financial statements for the year ended 2025 (excluding transaction cost of ₪ 53.8 million pertaining to New Murabaha facility, Murabaha Facility Agreement and ARB CAPEX loan)

Note: Numbers may not sum up due to the rounding

New Syndicate Murabaha Facility

On 30 September 2025, the Group signed ₪ 5,500 million syndicated Murabaha facility with commercial banks at three months SIBOR plus margin. The proceeds of tranche 1 of the loan, amounting to ₪ 5,200 million, have been used to pay existing a Murabaha facility and receivables discounting banking facility, both matured on 30 September 2025, amounting to ₪ 4,700.80 million and ₪ 500 million, respectively. The proceeds of tranche 2 of the loan, amounting to ₪ 300 million, is drawn to fund for the CAPEX expenditure payment against several projects in line with the Group's capital expenditure needs. Both the tranches are repayable after one year grace period and in accordance with the terms of the agreement, and is maturing on 2 Jumada AL-Akhirah 1452H corresponding to 30 September 2030. The facility obtained is on commercial terms, where the profit is payable on quarterly basis, based on fixed margin and three months SIBOR.

New Working Capital Murabaha Facility

On 30 April 2025, Tamam Finance Company (Tamam) signed with Al Rajhi bank for ₪ 200 million working capital Murabaha facility to fund for the short-term expenditure and be repayable within twelve months. As at the reporting date, Tamam has withdrawn ₪ 170 million out of this facility. The facility obtained is on commercial terms, where the profit is payable on a quarterly basis, based on fixed margin and three months SIBOR.

Murabaha facility agreement with commercial bank

On 27 August 2025, the Group signed with a commercial bank a working capital Murabaha facility agreement amounting to ₪ 750 million to fund for the short term expenditure and is repayable within twelve months. As at the reporting date, the Group has not withdrawn any amount out of this facility. The facility

obtained is on commercial term, where the profit is payable on quarterly or bi-annually basis based on three or six months SIBOR, as determined by that commercial bank.

Murabaha Facility Agreement

On 16 February 2025, the Group has repaid the facility with MOF in full and obtained a new Islamic Shariah compliant facility amounting to ₪ 1,934 million from Al Rajhi bank, repayable in a single bullet payment upon its maturity on 14 Shawwal 1451H corresponding to 17 February 2030. The facility obtained is on commercial term, where the profit is payable on quarterly basis, based on fixed margin and three months SIBOR.

CAPEX Vendor Financing Facility Agreement and Account Receivable Factoring

On 13 May 2024, the Group signed with Al Rajhi bank for ₪ 1,625 million facility including transaction cost amounting to ₪ 11.25 million to fund for the capital expenditure payment against several projects up to ₪ 1,125 million and receivables discounting banking facility up to ₪ 500 million. The Group has availed ₪ 1,012.21 million out of CAPEX facility as at the reporting period (2024: ₪ 747.45 million). The interest, amounting to ₪ 59.31 million, has been capitalized by the Group during year ended 31 December 2025 based on effective interest rate of the loan (2024: ₪ 21.27 million). CAPEX loan is repayable biannually, after two year grace period in accordance with the terms of the agreement and is maturing on 4 Safar 1456H corresponding to 23 April 2034 and the profit is payable on biannual basis based on fixed margin and six months SIBOR. During the year, the Group has fully paid the receivables discounting banking facility amounting to ₪ 500 million.

Dues from Shareholders

The founding shareholders have provided, and they continue to provide, financial support to the Company since 2007. The outstanding balance as at 31 December 2025 amounted to **ﷲ 60 million**. Financing costs began to take place in August 2009 following the refinancing of the Syndicated Murabaha Financing, which took place at that time, while the loans carry financing costs as agreed with the founding shareholders. The Company initially

obtained these advances from the founding shareholders in order to serve the following purposes:

- Partially finance the acquisition of CST license
- Finance the working capital requirements
- Provide security required by syndicated Murabaha financing agreement
- Pay for all dues on junior debt and loans

3. Statements of Operation Highlights

The following table summarizes the statements of operation for the years ended 31 December 2021, 2022, 2023, 2024 and 2025.

ﷲ million	2025	2024	2023	2022	2021	Change	Change (%)
	Audited	Audited	Audited	Audited	Audited	2025/2024	2025/2024
Revenue	10,983	10,365	9,883	9,075	7,901	618	6%
Cost of revenue	(4,410)	(3,894)	(4,025)	(3,760)	(3,016)	(516)	13%
Gross profit	6,573	6,471	5,857	5,315	4,885	102	2%
Operating and administrative	(3,100)	(3,148)	(2,879)	(2,160)	(1,756)	48	(2%)
EBITDA	3,473	3,323	2,978	3,155	3,129	150	4.5%
Depreciation and amortization	(2,161)	(2,124)	(2,106)	(2,089)	(2,430)	(36)	2%
Operating profit	1,313	1,199	871	1,066	699	114	9%
Income from loan modification	-	-	-	-	1	-	-
Finance and other Income	19	18	70	74	20	1	6%
Gain on tower sale transaction	-	21	1,015	-	-	(21)	(100%)
Gain on sale of equity shares	-	-	121	-	-	-	-
Government grant	-	52	-	-	-	(52)	(100%)
Share of loss investment in associate and joint ventures	(0.6)	(0.8)	(1.4)	-	-	-	-
Impairment in investment in associate and joint ventures	-	-	(0.5)	-	-	-	-
Financial charges	(680)	(735)	(719)	(566)	(489)	55	(7%)
Net profit for the year before zakat	651	554	1,356	574	231	97	18%
Zakat	(47)	42	(89)	(24)	(17)	(89)	(212%)
Net profit for the year	604	596	1,267	550	214	8	1%

Source: Audited financial statements for the years ended 2021, 2022, 2023, 2024 and 2025.

Note: Numbers may not sum up due to the rounding

- Revenue reached **ﷲ 10,983 million** for 2025 compared to **ﷲ 10,365 million** the previous year, where data revenue represents 46% (excluding value added services and SMS).
- Gross profit reached **ﷲ 6,573 million** in 2025 compared to **ﷲ 6,471 million** in 2024, posting an increase of 2%, with gross profit margin of 60% in the current year compared to 62% in the previous year.
- Operating and administrative expenses reached **ﷲ 3,100 million** in 2025; a decrease of 2% compared to **ﷲ 3,148 million** in 2024.
- EBITDA reached **ﷲ 3,473 million** in 2025 compared to **ﷲ 3,323 million** in 2024, posting an increase of 4.5%, with the EBITDA margin remaining almost consistent at 31.62% compared to 32.06% in the previous year.
- Depreciation and amortization expenses reached **ﷲ 2,161 million** in 2025 compared to **ﷲ 2,124 million** the year before.
- Operational profit reached **ﷲ 1,313 million** in 2025 compared to operational profit of **ﷲ 1,199 million** in 2024, with an increase of 9%.
- Net profit after zakat and tax reached **ﷲ 604 million** in 2025 compared to net profit after zakat and tax of **ﷲ 596 million** in 2024.
- Total comprehensive income reached **ﷲ 613 million** in 2025 compared to total comprehensive income of **ﷲ 565 million** the previous year.
- Profit per share reached **ﷲ 0.67** in 2025 compared to profit per share of **ﷲ 0.66** in 2024.
- Total shareholders' equity (including minority interest of **ﷲ 5.64 million**) reached **ﷲ 10,876 million** in 2025 compared to **ﷲ 10,707 million** the previous year, an increase of 1.6%.
- The retained earnings reached **ﷲ 1,831 million** for 2025, compared to **ﷲ 1,677 million** in 2024, representing 20% of the Company's share capital of **ﷲ 8,987 million**.
- Zain KSA's subscriber base comprised 8.1 million subscribers in 2025 compared to 9.3 million the prior year.

4. The following table presents revenue breakdown for 2023, 2024 and 2025

ﷲ million	2025	2024	2023	Change	Change (%)
				2025/2024	2025/2024
Mobile Telecommunications Company (MTC)	11,405	10,878	10,759	527	5%
Zain Payment – Tamam	435	368	284	67	18%
Others	5	0.3	(0.12)	5	1567%
Eliminations	(862)	(881)	(1,160)	19	(2%)
Total revenue	10,983	10,365	9,883	618	6%

Source: Audited financial statements for the years ended 2023, 2024 and 2025.

Note: Numbers may not sum up due to the rounding.

It is worth mentioning that the geographical analysis of revenue does not apply owing to the nature of the Company's operations. This is attributed to the mobility of the customer within the Kingdom; so, the customer's information might be registered in some region while the telecommunication activities are initiated from different regions depending on the location. Furthermore, revenue generated by international calls could not be linked to any region since they occur overseas; consequently Zain KSA has bifurcated revenue between national and international revenue segment only where international revenue constitutes 14.97% of total revenue (2024: 15.54%).

Basis of Preparation of the Financial Statements

These consolidated financial statements of Zain KSA have been prepared in accordance with International Financial Reporting Standard (IFRS) that is endorsed in the Kingdom of Saudi Arabia along with other pronouncements issued by Saudi Organization for Certified Public Accountant (SOCPA). The Company has no debt instruments, options, guarantees or similar rights that are convertible until the date of this report.

Statutory Payments

The Group had finalized its zakat status up to 2008 and obtained the related certificate.

The Group, except for Tamam Finance Company, Green Shield and Tam2Go, had submitted its consolidated financial statements along with group zakat returns for the years from 2009 to 2024 and paid zakat according to the filed returns. From 2021 onwards, Tamam Finance Company is submitting, paying and obtaining zakat certificate from the Zakat, Tax and Customs Authority (ZATCA) separately, from 2021 till 2024, excluding Tamam Finance Company.

Zakat was assessed by ZATCA and agreed with no additional claim for the years ended 2012 and 2013. The Group received additional assessment of **ﷲ 20.3 million** for zakat for the years from 2014 to 2018 which the Group has appealed against these additional claims to the relevant committees. The Group believes this will not result in any material additional provisions. Zakat was assessed by ZATCA and agreed with no additional claim for the years ended 2012 and 2013. The Group has not received zakat assessment for years 2019 to 2024.

On 12 Ramadan 1445H (corresponding to 22 March 2024), ZATCA announced the issuance of a new Zakat Implementing Regulation, through the Ministerial Resolution (MR) No.1007 dated 19 Shaban 1445H (corresponding to 29 February 2024), which was electronically published in the Official Gazette on 11 Ramadan 1445H (corresponding to 21 March 2024).

The new zakat regulation is replacing the current regulation issued through MR No. 2216 dated 14 Rajab 1440H (corresponding to 14 March 2019).

In light of new regulations, the Group has reassessed its zakat provision and consequently has reversed additional provision charged in prior periods amounting to **ﷲ 75.77 million** during the year ended 31 December 2024.

During the year ended 31 Dec 2025, the Group has calculated zakat expense amounting to **ﷲ 47.24 million**.

There is no financial impact as Zain KSA has sufficient provisions to cover these amounts.



The following table includes the statutory payments paid in 2025 or outstanding as at 31 December 2025 as well as a brief description and reasons thereof.

ﷲ million	2025		Brief Description/Reasons
	ﷲ Paid	ﷲ Outstanding	
Communications, Space and Technology Commission	609	835	Spectrum licensing
General Organization for Social Insurance	79	4	These amounts are related to GOSI payment for Zain KSA employees.
General Authority for Zakat and Tax	557	18	These amounts are related to value added tax, withholding tax and zakat provision.

Related Party Transactions

The following table includes amounts due to related parties.

	2025 (ﷲ'000)	2024 (ﷲ'000)	Note
Mobile Telecommunications Company K.S.C.	170,000	405,968	This amount relates to accrued management fees and is payable to the Company's largest shareholder. The amount is unsecured, interest free and does not have any fixed terms of repayment but is not repayable until certain conditions are met in the Syndicated Murabaha facility.
Mobile Telecommunications Company K.S.C.	-	7,095	The amount was payable to shareholders on demand and was settled during the year against amount to be received from shareholders.
Founding shareholders	60,409	60,409	This amount relates to accrued finance charges and is payable to the Company's founding shareholders. The amount is unsecured and does not have any fixed terms of repayment but is not repayable until certain conditions are met in the Syndicated Murabaha facility.
Other related parties	471	9,982	Telecom services
Total	230,880	483,454	

The following tables include details relating to the transactions between Zain KSA and related parties during 2025.

Description	2025 (ﷲ'000)
Revenue from entities related to Zain Group ¹	58,241
Purchases from entities related to Zain Group ¹	(122,621)
Branding fees charged by MTC KSCP	(170,000)

¹ Details of such transactions are outlined in item No. 2 of the following table.

#	Related Party	Conditions and Nature of Transaction, Business or Contract	Duration Term	Net Value/ Amount during 2025 (ﷲ'000)	Related Party/ Relationship with Zain KSA	Interested Board Members/Senior Executives (directly or indirectly)
1	MTC KSCP	Branding fee	Open	(170,000)	Founding shareholder of Zain KSA	Mr. Bader bin Nasser AlKharafi (Vice President); Mr. Ossama Michel Matta (Board member); Eng. Nawaf Hisham AlGharabally (Board member)
2	Oman Tel, Zain Bahrain, Zain Jordan, MTC Lebanon S.A.R.L., Zain Kuwait, Zain Sudan, Zain Iraq "IRQAT" and Zain Global Communications Co.)	Telecom services (interconnect/roaming)	Open	(64,380)	Oman Tel is a shareholder in MTC KSCP whereas Zain Bahrain, Zain Jordan, MTC Lebanon S.A.R.L., Zain Kuwait, Zain Sudan, Zain Iraq "IRQAT" and Zain Global Communications Co. are subsidiaries to MTC KSCP, which is a founding shareholder of Zain KSA.	Mr. Kamil Hilali (Board Member) Mr. Talal Al-Maamari (Board Member)

Note: Numbers may not sum up due to the rounding

Fines and Penalties

Zain KSA continues to build effective partnerships with all supervisory, regulatory and judicial authorities. This section sets out details of the penalties imposed on the Company by supervisory, regulatory and judicial authorities, along with a description of the controls implemented to prevent recurrence and ensure compliance with applicable regulatory instructions. The table below presents the fines imposed on the Company by supervisory and regulatory authorities totaling ﷲ 4,717,000, together with a brief description of the reasons for such fines and the corrective controls established to prevent similar violations in the future.

Note: Certain decisions remain under appeal before the Board of Grievances.

Fine/Penalty	Reasons for non-compliance	Authority	Controls Implemented to Prevent Recurrence
Imposing fines amounting to ﷲ 1,050,000	Failure to implement a directive within the specified deadline.	Committee for the consideration of Violations of the Communications Law	Establishing procedures to ensure compliance with CST's directives and that all required information is submitted within the specified deadline.
Imposing fines amounting to ﷲ 1,967,000	Failure to implement CST's directives.		Establishing procedures to ensure compliance with CST's directives.
Imposing fines amounting to ﷲ 1,700,000	Launching or amending a package or promotional offer without obtaining CST approval, or failure to publish and announce such offer in accordance with the approval granted.		Establishing procedures to ensure prior CST approval is obtained for all packages and promotional offers and that publication and announcement align with the Authority's approval.

Declarations

Zain KSA declares that:

- Proper accounting records have been maintained in accordance with applicable requirements.
- The internal control system has been properly designed and effectively implemented.
- There are no material uncertainties regarding the Company's ability to continue as a going concern.
- There is no emphasis on a matter by the external auditor.
- The external auditor's report did not contain any qualifications on the financial statements.
- There were no departures from the accounting standards approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
- The Board did not recommend replacing the external auditor before the end of its term.
- There are no Treasury shares retained by the Company.
- No investments or reserves were established for the benefit of the Company's employees.
- No redeemable debt instruments were redeemed, purchased or cancelled by the Company up to the date of this report.
- No shares or debt instruments were issued by any subsidiaries.
- The Company did not receive any notification of an interest in a class of voting shares held by any person (other than Board members, senior executives and their relatives), nor of any change in such rights during the last financial year, pursuant to Article 68 of the CMA's Rules on the Offer of Securities and Continuing Obligations.
- An independent internal audit function exists and has carried out its activities comprehensively during the year.
- There were no conflicts between the Audit Committee's recommendations and the Board's resolutions regarding the appointment, dismissal, performance evaluation or determination of the external auditor's fees, nor in respect of the appointment of the internal auditor.
- None of the members of the Board of Directors engaged in any competing business with the Company or in any of its lines of activity.



ﷲ 3.5 bn (+4.5%)

EBITDA

Zain KSA delivered record financial performance in 2025, driven by disciplined execution, expanding digital services, and sustained growth across core operations.

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Financial Statements

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Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Mobile Telecommunications Company Saudi Arabia

Opinion

We have audited the consolidated financial statements of **Mobile Telecommunications Company Saudi Arabia** ("the Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, as applicable to audits of the financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current year. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditor's Report

To the Shareholders of Mobile Telecommunications Company Saudi Arabia (continued)

Revenue Recognition

See [Note 4](#) and [26](#) to the consolidated financial statements.

The key audit matter

Revenue recognition is considered a key audit matter because of:

- reliance on multiple, complex information technology (IT) systems and tools used in the initiation, processing and recording of revenue transactions;
- variety of customer offerings with multiple pricing and tariff structures, which may frequently change during the course of the year,
- judgments and estimates involved in revenue recognition of multiple element arrangements; and
- large volume of transactions.

Revenue recognition involves the exercise of a number of key judgments and estimates around the identification of performance obligations that the Group has in its contracts with the customers, determination of standalone selling prices, allocation of transaction prices to the various performance obligations and the timing of fulfilling those obligations.

We also identified a risk of management override through inappropriate manual topside revenue journal entries as revenue is a key performance indicator for management performance.

Refer to notes 4 for accounting policies and critical accounting judgements and key sources of estimation uncertainty.

How the matter was addressed in our audit

Our procedures included, amongst others, those described below:

- Assessed the Group's revenue recognition policy for compliance with IFRS 15 and relevant regulatory guidance endorsed by the Saudi Organization for Chartered and Professional Accountants.
- We obtained an understanding of the Group's revenue and billing processes. This included evaluating controls, IT systems, interfaces, and reports across all stages, from contract initiation to final measurement, recognition, and recording,
- We involved specific team members with IT knowledge to evaluate the design and operating effectiveness of both general IT controls and application controls embedded within key IT systems and applications. It included evaluating interface integrity, and testing automated controls over relevant data flows of significant revenue streams across various systems;
- We tested the reconciliations between the general ledgers and the relevant IT system reports for all the key revenue streams;
- We undertook analytical reviews and performed substantive analytical procedures on significant revenue streams;
- On a sample basis, we tested whether the revenue recognised during the year agrees with underlying contractual arrangements;
- On a sample basis, we evaluated the revenue recognition relating to multiple performance obligations with customers in accordance with the applicable financial reporting framework, and,
- On a sample basis, we tested supporting evidence for manual journal entries posted to revenue accounts.



Independent Auditor's Report

To the Shareholders of Mobile Telecommunications Company Saudi Arabia (continued)

Capitalization of Property and Equipment (PPE)	
See Note 4 and 12 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The Group has a substantial capital expenditure plan and incurs significant annual expenditures related to the development and maintenance of infrastructure assets and network-related equipment. Costs associated with the upgrading or enhancement of the network are treated as capital expenditures, while expenditures incurred to maintain the network's operating capacity are expensed in the same year in which they are incurred.</p> <p>Determining whether costs meet the capitalization criteria prescribed by IAS 16 'Property, Plant and Equipment' involves management applying significant judgment regarding the classification, timing, and appropriateness of costs capitalized. This includes the evaluation of whether expenditures enhance or maintain the network's operating capacity.</p> <p>Given the materiality of these amounts, reliance on management's assumptions, and the complexity of judgments involved (especially in distinguishing capital costs from operational expenses), this matter is considered a key audit matter.</p> <p>Refer to Note 4 for the accounting policy on capitalization of property and equipment and Note 12 for related disclosures.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Evaluation of policies and key judgments: Assessed the Group's capitalization policy for compliance with IAS 16 and relevant regulatory guidance endorsed by the Saudi Organization for Chartered and Professional Accountants. • Controls testing: Evaluate the design, implementations, governing the capitalization and depreciation of property and equipment, including relevant IT systems. • Sample testing of capitalized expenditures: On a sample basis, we performed test of details on costs capitalized during the year ended 31 December 2025 which included examination of management's assessment as to whether the costs met the criteria for capitalization under IFRS • Disclosures: Assessed the adequacy and completeness of disclosures regarding the Group's PPE capitalization policy, judgments, and material balances in the consolidated financial statements.

Other Matters

The consolidated financial statements of the Group for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 21 Sha'ban 1446 H corresponding to 20 February 2025.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the (consolidated) financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.



Independent Auditor's Report

To the To the Shareholders of Mobile Telecommunications Company Saudi Arabia (continued)

Other Information (continued)

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



Independent Auditor's Report

To the Shareholders of Mobile Telecommunications Company Saudi Arabia (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Mobile Telecommunication Company Saudi Arabia** ("the Company") and its subsidiaries ("the Group").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services Company

Fahad Mubark Al Dossari
License No: 469



Al Riyadh, 16 February 2026
Corresponding to: 28 Sha'aban 1447H

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(ALL AMOUNTS IN SAR THOUSANDS UNLESS OTHERWISE STATED)

	Note	2025	2024
ASSETS			
Non-current assets			
Property and equipment	12	4,769,761	4,977,368
Intangible assets and goodwill	14	13,270,363	13,556,680
Right of use assets	11	1,400,608	1,098,144
Capital advances	13	840,269	901,595
Long term prepaid expenses		39,077	8,477
Investment in an associate and joint venture	10	13,072	8,973
Contract assets	8	277,969	271,341
Total non-current assets		20,611,119	20,822,578
Current assets			
Inventories	9	180,506	263,180
Contract assets	8	138,710	122,600
Derivative financial instruments	22	-	28,504
Trade receivables and other assets	7	6,871,811	6,058,398
Cash and cash equivalents	6	951,157	840,201
Total current assets		8,142,184	7,312,883
TOTAL ASSETS		28,753,303	28,135,461
LIABILITIES AND EQUITY			
Non-current liabilities			
Borrowings	16	8,329,221	2,233,558
Lease liabilities	18	1,531,170	1,302,316
Spectrum payable	21	1,175,455	931,407
Deferred income and contract liabilities	8	328,319	82,090
Employees' end of service benefits obligation	23	147,626	179,267
Total non-current liabilities		11,511,791	4,728,638
Current liabilities			
Trade and other payables	15	5,264,904	5,632,908
Dividend payable	20	10	2,500
Provisions	17	48,968	133,575
Provision for zakat	33	88,864	71,513
Deferred income and contract liabilities	8	216,358	224,154
Current portion of borrowings	16	233,263	5,965,202
Current portion of lease liabilities	18	282,314	186,680
Amounts due to related parties	19	230,880	483,454
Total current liabilities		6,365,561	12,699,986
Total liabilities		17,877,352	17,428,624
EQUITY			
Share capital	25	8,987,292	8,987,292
Hedging reserve	22	-	28,504
Other reserve	23	51,882	14,072
Non-controlling interest	41	5,642	-
Retained earnings		1,831,135	1,676,969
Total equity		10,875,951	10,706,837
TOTAL LIABILITIES AND EQUITY		28,753,303	28,135,461

The accompany notes (1) to (45) form an integral part of these consolidated financial statements

Mehdi Khalifaoui
CFO

Eng. Saad Abdulrahman Alsadhan
CEO

Eng. Abdullah Fahad Alfaris
Chairman

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS IN ₪ THOUSANDS UNLESS OTHERWISE STATED)

	Note	2025	2024
Revenue	26	10,983,264	10,365,461
Cost of revenue	27	(4,409,757)	(3,894,395)
		6,573,507	6,471,066
Distribution and marketing expenses	28,43	(2,193,529)	(2,172,243)
General and administrative expenses	29,43	(529,172)	(547,403)
Depreciation and amortization	11,12,14	(2,160,661)	(2,123,721)
Expected credit loss (ECL)	7,8	(377,354)	(428,593)
Operating profit		1,312,791	1,199,106
Finance income		14,756	32,292
Finance cost	32	(679,827)	(734,929)
Gain on tower sale transaction	30	-	21,238
Government grant income	38	-	52,257
Other income / (expense)	31	3,991	(14,716)
Share of loss investment in an associate and joint venture	10	(601)	(766)
Profit before zakat		651,110	554,482
Zakat	33	(47,237)	41,887
Profit for the year		603,873	596,369
Profit for the year attributable to:			
Equity holders of the Parent Company		603,531	596,369
Non-controlling interests		342	-
		603,873	596,369
Other comprehensive income / (loss)			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of employees' end of service benefits obligation	23	37,810	15,543
Item that may be reclassified subsequently to profit or loss:			
Fair value change in hedging instruments entered into for cash flow hedges	22	(28,504)	(47,130)
Total other comprehensive income / (loss)		9,306	(31,587)
Total other comprehensive income / (loss) attributable to:			
Equity holders of the Parent Company		9,306	(31,587)
Non-controlling interests		-	-
		9,306	(31,587)
Total comprehensive income for the year		613,179	564,782
Earnings per share (in ₪)			
Basic and diluted	34	0.67	0.66

The accompany notes (1) to (45) form an integral part of these consolidated financial statements

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CEO

Eng. Abdullah Fahad Alfaris
Chairman

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Chairman

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS IN ₪ THOUSANDS UNLESS OTHERWISE STATED)

	Share capital	Hedging reserve	Other reserve	Statutory reserve	Retained earnings	Non-controlling interest	Total
Balance as at 1 January 2025	8,987,292	28,504	14,072	-	1,676,969	-	10,706,837
Effect of acquisition of new subsidiaries (note 41)	-	-	-	-	-	5,300	5,300
Profit for the year	-	-	-	-	603,531	342	603,873
Other comprehensive (loss) / income	-	(28,504)	37,810	-	-	-	9,306
Total comprehensive (loss) / income for the year	-	(28,504)	37,810	-	603,531	342	613,179
Dividends (note 20)	-	-	-	-	(449,365)	-	(449,365)
Balance as at 31 December 2025	8,987,292	-	51,882	-	1,831,135	5,642	10,875,951
Balance as at 1 January 2024	8,987,292	75,634	(1,471)	203,099	1,326,866	-	10,591,420
Profit for the year	-	-	-	-	596,369	-	596,369
Other comprehensive (loss) / income	-	(47,130)	15,543	-	-	-	(31,587)
Total comprehensive (loss) / income for the year	-	(47,130)	15,543	-	596,369	-	564,782
Transfer from statutory reserve	-	-	-	(203,099)	203,099	-	-
Dividends (note 20)	-	-	-	-	(449,365)	-	(449,365)
Balance as at 31 December 2024	8,987,292	28,504	14,072	-	1,676,969	-	10,706,837

The accompany notes (1) to (45) form an integral part of these consolidated financial statements

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS IN ٬ THOUSANDS UNLESS OTHERWISE STATED)

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		651,110	554,482
Adjustment for:			
Expected credit loss	7,8	377,354	428,593
Depreciation and amortization	11,12,14	2,160,661	2,123,721
Withholding tax provision reversal	39	-	(156,546)
Other income		(19,452)	(69,834)
Charge / (reversal) of write down to net realizable value	9	2,032	(3,219)
Finance costs	32	679,827	734,929
Gain on tower sale transaction	30	-	(21,238)
Foreign currency loss / (gain)	31	705	(60)
Share of loss in an associate for the year	10	601	766
Employees' end-of-service benefits obligation	23	27,368	33,544
		3,880,206	3,625,138
Changes in working capital			
Trade receivables and other assets		(1,177,113)	(638,547)
Inventories		80,642	(102,169)
Contract assets		(22,738)	45,989
Trade and other payables		(925,054)	(708,466)
Contract liabilities		(7,796)	(131,192)
Cash flows generated from operations		1,828,147	2,090,753
Zakat paid	33	(29,886)	(30,832)
Employees' end of service benefits obligation paid	23	(22,362)	(15,458)
Net cash generated from operating activities		1,775,899	2,044,463
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment - net of cash received	38	(248,257)	(427,374)
Proceed from disposal of property and equipment		12,184	74,625
Acquisition of subsidiaries - net of cash acquired		(21,482)	-
Finance income received		14,746	32,292
Investment in associate and joint ventures		(2,700)	-
Purchase of intangible assets		(244,103)	(193,089)
Net cash used in investing activities		(489,612)	(513,546)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(7,504,871)	(1,186,697)
Proceeds from borrowings		7,604,071	870,000
Dividend paid	20	(451,855)	(448,115)
Payment of principal portion of lease liabilities	18	(248,579)	(224,003)
Finance cost paid		(572,866)	(648,003)
Net cash used in financing activities		(1,174,100)	(1,636,818)
Net change in cash and cash equivalents		112,187	(105,901)
Effect of movements in exchange rates on cash and cash equivalents		(705)	60
Cash and cash equivalents at beginning of the year		839,133	944,974
Cash and cash equivalents at end of the year	6	950,615	839,133

The accompany notes (1) to (45) form an integral part of these consolidated financial statements

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CEOEng. Abdullah Fahad Alfaris
ChairmanMehdi Khalifaoui
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CEOEng. Abdullah Fahad Alfaris
Chairman

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS IN ٬ THOUSANDS UNLESS OTHERWISE STATED)

	2025	2024
Non-Cash Transactions:		
Adjustment to property and equipment corresponding to trade payables, capital advances and government grant	319,406	298,823
Adjustment to intangible assets with corresponding to trade payables	263,935	296,065
Changes in fair value of derivative financial instruments	(28,504)	(47,130)
Adjustment to property and equipment with corresponding to loan	264,756	747,454
Changes in remeasurement of end of service benefit liability	37,810	15,543
Addition to right of use assets with corresponding impact in lease liability	582,939	385,503
Termination adjustment in right of use asset (ROU)	(12,117)	(60,641)
Termination adjustment in lease liability (LL)	(10,600)	(68,679)
Net impact of modification in ROU with corresponding impact in LL	(5,858)	1,197

The accompany notes (1) to (45) form an integral part of these consolidated financial statements



MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2025
 (ALL AMOUNTS IN ﷲ THOUSANDS UNLESS OTHERWISE STATED)

1 ORGANIZATION AND ACTIVITIES

1.1 General Information

The Company is a "Saudi Joint Stock Company" established pursuant to the Ministerial Resolutions No. 176 dated 25 Jumada I' 1428H (corresponding to 11 June 2007) and No. 357 dated 28 Dhu Al-Hijjah 1428H (corresponding to 7 January 2008), Royal Decree No. 48/M dated 26 Jumada I' 1428H (corresponding to 12 June 2007), the Commercial Registration No. 1010246192 issued in Riyadh, Kingdom of Saudi Arabia (KSA) on 4 Rabi I' 1429H (corresponding to 12 March 2008) to operate as the 3rd GSM public mobile cellular and the Company obtained technology neutral license in the Kingdom of Saudi Arabia for twenty five (25) years which was subsequently extended for an additional fifteen (15) years in 2016 (refer note 14).

Mobile Telecommunications Company Saudi Arabia (the "Company") along with its subsidiaries (together the "Group"), provides mobile telecommunication services in the Kingdom of Saudi Arabia in which it operates, purchases, sells, distributes, delivers, installs, manages and maintains mobile telephone services and equipment. As well, the Group provides consulting services; constructs and repair telecom towers; provides fintech services and provide technical drones services along with selling and repairing; services of logistics and transportation and providing brokerage and agency services to the insurance providers, as mentioned in note 1.2.

The registered address of the Company is P.O. Box 295814, Riyadh 11351, Kingdom of Saudi Arabia.

The Company is a subsidiary of Mobile Telecommunications Company K.S.C.P. Kuwait ("Zain Group"). Zain Group's ultimate parent company is Oman Telecommunications Company SAOG, Oman.

1.2 Subsidiaries

The Company established the following fully owned subsidiaries in KSA:

- Zain Sales Company Limited is engaged in distributing, selling telecom equipment and handsets; and providing consulting services. The share capital of the Company is ﷲ 10,000. The company was incorporated on 22 Safar 1440H (corresponding to 31 October 2018) and started its operation in the first quarter of 2019.
- Tamam Finance Company is engaged in providing fintech services. The company was incorporated on 10 Shaban 1440H (corresponding to 15 April 2019) and started its operation during the fourth quarter of 2019. The company has increased the share capital from ﷲ 248 million to ﷲ 348 million on 27 Dhul Qadah 1446H (corresponding to 25 May 2025).
- Zain Drones Company Limited - a limited liability company engaged in providing professional, scientific and technical drones services along with selling and repairing drones. The share capital of the Company is ﷲ 10,000. The company was incorporated on 22 Shawwal 1440H (corresponding to 25 June 2019) and started its operation during the fourth quarter of 2019.
- Data Reach - a limited liability company has been formed with a share capital of ﷲ 5,000 to engage in activities of data sciences and analysis, data processing, establishing web hosting infrastructure and cloud computing. The company was incorporated on 3 Ramadan 1444H (corresponding to 25 March 2023) but has not commenced operation as at reporting date.
- Saira Group Company - SMC has been formed on 12 Rajab 1445H (corresponding to 24 January 2024) with a share capital of ﷲ 50,000 to engage in activities of investment and management of subsidiaries.
- Tam International Logistics Company ("Tam2Go") - Tam2Go was acquired on 20 Jumada Al Awwal 1447H (corresponding to 11 Nov 2025) having a share capital of ﷲ 4 million and share premium of ﷲ 23.4 million. Tam2Go is engaged in providing services of logistics and transportation.
- Green Shield Insurance Brokerage Company Limited ("Green Shield") - Saira Group Company acquired Green Shield on 15 Rabi' Al Akhar 1447H (corresponding to 7 Oct 2025) having a share capital of ﷲ 3 million. Green Shield is engaged in providing brokerage and agency services to the insurance providers.

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2025
 (ALL AMOUNTS IN ﷲ THOUSANDS UNLESS OTHERWISE STATED)

2 BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia ("IFRS") and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments and employees' end of service benefits obligation. The Group has used same accounting policies which were used for the year ended 31 December 2024, unless mentioned otherwise.

Functional and presentation currency

These consolidated financial statements are presented in ﷲ which is the functional currency of the Company. All the amounts have been rounded off to the nearest thousand unless otherwise stated.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

These consolidated financial statements comprising the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements of the Group, including assets, liabilities and the results of the operations of the Group, as set out in (note 1.2). Subsidiaries are consolidated from the date on which ownership commences until the date its ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. The Group and its fully owned subsidiaries have the same reporting periods. All intergroup assets and liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.



MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2025
 (ALL AMOUNTS IN ٢ THOUSANDS UNLESS OTHERWISE STATED)

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS

a) New standards, interpretations and amendments effective in current year

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards, interpretations, amendments	Description	Effective date
Lack of exchangeability – Amendments to IAS 21	The amendments aim to specify how an entity should assess a currency is exchangeable and to determine a spot exchange rate when exchangeability is lacking and disclose to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.	Annual periods beginning on or after 1 January 2025

The Group has assessed that these amendments have no significant impact on the consolidated financial statements.

b) New standards, interpretations and amendments not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Group is currently working to identify all impacts the new standards, interpretations, amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

i) IFRS 18 – presentation and disclosure in financial statements

Standards, interpretations, amendments	Effective date
IFRS 18 – presentation and disclosure in financial statements	1 January 2027

IFRS 18 will replace IAS 1 presentation of financial statements. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. The net profit will not change.
- Management defined performance measures are disclosed in a single note in the consolidated financial statements.

ii) Other accounting standards

Standards, interpretations, amendments	Effective date
Classification and measurement of financial instruments - amendments to IFRS 9 and IFRS 7	1 January 2026
Annual improvements to IFRS accounting standards – volume 11	1 January 2026
Contracts referencing nature-dependent electricity – amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 19 - subsidiaries without public accountability: disclosures	1 January 2027
Translation to a hyperinflationary presentation Currency – amendments to IAS 21	1 January 2027

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2025
 (ALL AMOUNTS IN ٢ THOUSANDS UNLESS OTHERWISE STATED)

4 MATERIAL ACCOUNTING POLICIES

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is not subject to the right at the reporting date to defer its settlement for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Property and equipment

Property and equipment are stated at cost including borrowing costs and relevant staffs' salaries less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognized on the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The Group applies the following annual rates of depreciation for its property and equipment:

Leasehold Improvements	20% or shorter of lease term
Telecom equipment	5% to 33.3%
IT systems and servers	20% to 33.3%
Furniture and office equipment	20% to 33.3%
Transportation equipment	20%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statements of profit or loss and other comprehensive income. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as a separate items (major components) of a property and equipment.



MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS IN ﷲ THOUSANDS UNLESS OTHERWISE STATED)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Land and assets under construction are stated at cost, net of accumulated impairment losses, if any. Depreciation on assets under construction commences when the assets are ready for their intended use. When assets under construction are ready for their intended use, they are transferred to property and equipment or intangible assets. Finance costs on borrowings to finance the construction of qualified assets are capitalized during the period that is required to complete and prepare the asset for its intended use.

Capital advances

Capital advances are paid to suppliers of property and equipment. The amount continues to be disclosed as capital advances till such time the asset is delivered. Once the equipment is supplied, the capital advances are either transferred to telecom equipment or assets under construction.

The Group reviews supplier's credit history and background information before advancing payment. If the financial condition of its suppliers were to deteriorate, resulting in an uncertainty of their ability to deliver goods or provide services, the Group would recognize expense in the period as and when the uncertainty arises. The recovery is then adjusted against the expenses when the advance is recovered, or goods are delivered or services are provided.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization methods are reviewed at the end of annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Group applies the following annual rates of amortization to its intangible assets:

License fee	2.5%
Computer software licenses	4% to 50%
Indefeasible Rights of Use ("IRU")	5% to 10%
Spectrum	6.67%

Brands have an indefinite useful life and are assessed for impairment at annual reporting date.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in consolidated statement of profit or loss and other comprehensive income when the asset is derecognized.

Impairment of non-financial assets

Except for assets with indefinite lives, the Group reviews the carrying amounts of its property & equipment and intangible assets to determine when there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

MOBILE TELECOMMUNICATIONS COMPANY SAUDI ARABIA (A SAUDI JOINT STOCK COMPANY)

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in consolidated statement of profit or loss and other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in consolidated statement of profit or loss and other comprehensive income.

Assets with indefinite lives are annually tested for impairment.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale. The Group writes down inventories to their net realizable value for items which cost exceeds the same. Net realizable value is determined based on the management estimate regarding future usability of the inventory and any such write down or reversal of such is provided in the cost of revenue in the consolidated statement of profit or loss and other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held with banks whose original maturities do not exceed three months and are available for use by the Group unless otherwise stated. The deposits are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset or project. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to the property and equipment are recorded as a deduction from the cost of the assets in arriving at the respective carrying amount. Any advance amount received is recorded as deferred grant and adjusted against recorded capital expenditure on assets. An excess realized is recorded as other income.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee benefits

End of service benefits

The end-of-service indemnity provision is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the statement of changes in equity as a remeasurement reserve with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income will not be reclassified to consolidated statement of profit or loss and other comprehensive income in subsequent periods.



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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in consolidated statement of profit or loss and other comprehensive income as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- Re-measurements

The Group presents the first two components of defined benefit costs in consolidated statement of profit or loss and other comprehensive income in the line item "General and administrative expenses".

Retirement benefits

The Group pays retirement contributions for its Saudi Arabian employees to the General Organization for Social Insurance. The payments made are expensed as incurred.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, sick leave and air tickets in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Foreign currencies

Transactions in currencies other than the Group's functional currency (foreign currencies), which is ﷲ, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

Dividends

The Company's dividends policy is approved by the General Assembly and the Company recognizes a liability to pay a dividend when the distribution is authorized. A corresponding amount is recognized directly in equity.

Zakat and taxes

Zakat is calculated and provided for by the Group in accordance with Saudi Arabian fiscal regulations and is charged to consolidated statement of profit or loss and other comprehensive income. It is calculated using zakat rates that have been enacted or substantively enacted by the end of the reporting period.

The Group is subject to VAT as per the regulations of ZATCA. The net VAT amount recoverable from and/ due to the ZATCA is included in the consolidated statement of financial position.

Adjustments resulting from final assessments, if any, are recorded during the period in which these assessments are approved.

Contingencies

Contingent assets are not recognized as an asset until realization becomes virtually certain. Contingent liabilities, other than those arising on acquisition of subsidiaries, are not recognized as a liability unless as a result of past events it is probable that an outflow of economic resources will be required to settle a present, legal or constructive obligation; and the amount can be reliably estimated. Contingent liabilities arising in a business combination are recognized if their fair value can be measured reliably.

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases

The Group as a lessee

The Group assesses whether contract is or contains a lease, at inception of the Contract. The Group recognizes a right of use asset and a corresponding lease liability on the date on which the lessor makes the asset available for use by the Group (the commencement date).

On that date, the Group measures the right of use assets at cost, which comprises of:

- the amount of the initial measurement of the lease liability.
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and

an estimate of costs to be incurred to restoring the underlying asset to the condition required by the terms and conditions of the lease as a consequence of having used the underlying asset during a particular period; this is recognized as part of the cost of the right of use asset when the Group incurs the obligation for those costs, which may be at the commencement date or as a consequence of having used the asset during a particular period. At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. On that date, the lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Lease payments included in measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Payments associated with leases of short-term leases and low-value assets are recognized on a straight-line basis as an expense in consolidated statement of profit or loss and other comprehensive income.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37 – "Provisions contingent liabilities and contingent assets". To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Subsequent Measurement

After the commencement date, the Group measures the right-of-use asset at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight line basis over the shorter of the asset's useful life and the lease term. The Group determines whether a right of use asset is impaired and recognizes any impairment loss identified in the consolidated statement of profit or loss and other comprehensive income. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 - "Impairment of Assets" to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss.

After the commencement date, the Group measures lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payment made.



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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to the consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The constant periodic rate of interest is the discount rate used at the initial measurement of lease liability.

For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Revenue

The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15 – “Revenue from Contracts with Customers”. Revenue is recognized based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or services to a customer.

The timing of revenue recognition is either at a point in time or over time depending upon the satisfaction of the performance obligation by transferring control of goods or services to the customer.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding value added taxes (VAT) charged as per the regulations of ZATCA.

Revenues from operations consist of recurring revenues, such as billings to customers for monthly subscription fees, roaming, leased line and airtime usage fees, and non-recurring revenues, such as one-time connection fees, and telephone equipment and accessory sales.

Telecommunication services

Revenue from mobile telecommunication services provided to postpaid and prepaid customers is recognized as services are transferred. When the customer performs first, for example, by prepaying its promised consideration, the Group has a contract liability. If the Group performs first by satisfying a performance obligation, the Group has a contract asset. Consideration received from the sale of prepaid credit is recognized as contract liability. It is recognized as revenue when the customer uses the services or when it is expired.

Bundled packages

The Group provides subsidized handsets to its customers along with mobile telecommunication services. IFRS 15 requires entities to allocate a contract's transaction price to each performance obligation based on their relative stand-alone selling price which are determined based on observable prices. This resulted in allocation of revenue among trading revenue and service revenue. The trading revenue is recognized upfront on signing of the customer contract and delivery of the handset and correspondingly a creation of contract asset. Contract asset represents receivable from customers which are not yet billed.

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Handsets

Revenue from device sales is recognized when the device is delivered to the customer. This usually occurs when a customer signs the contract. For devices sold separately, customer pays in full at the point of sale. Revenue from voice, messaging, internet services etc. are included in the bundled package and are recognized as the services are rendered during the period of the contract. The sale of handsets and devices are recognized at point in time.

Significant financing component

If a customer can pay for purchased equipment or services over a period, IFRS 15 requires judgement to determine if the contract includes a significant financing component. If it does, then the transaction price is adjusted to reflect the time value of money.

Principal vs. agent

Significant judgement is required in determining whether the Group is acting as principal, reporting revenue on a gross basis, or acting as an agent, reporting revenue on a net basis. The Group evaluates if it controls the performance obligation of each service.

The Group assesses different categories of revenue, however, before concluding on whether it is acting as a principal or an agent, the Group exercises judgement considering the nature of the product and solution offering, complexity involved in delivering the product and solution, level of control available to the Group in the process of delivering the product and solution.

Sales of product and services in which the Group acts as a principal are presented on a gross basis.

Sales of product and services where there is no involvement of the Group for fulfilling the performance obligation is presented on a net basis. These generally includes the sale of certain third- party services, post contract support, software, third-party hosted Cloud arrangements and other related services.

Amounts collected by the group on behalf of a third party are accounted for as a payable in the statement of consolidated financial position until they are settled and do not gross up revenue and expenses. Similarly, amounts prepaid by the group to a third party on behalf of customers are recognized as a receivable until they are recovered and do not gross up revenues and expenses.

Revenue from value added services (VAS) sharing arrangements depend on the analysis of the facts and circumstances surrounding these transactions. Revenue from VAS is recognized when the Group performs the related service and, depending on the Group's control or lack of control on the services transferred to the customer, is recognized either at the gross amount billed to the customer or the net amount receivable by the Group as commission for facilitating the service.

Variable consideration

In determining the transaction price, the Group considers the effects of variable consideration. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the products and services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Commissions and other contract costs

Under IFRS 15, certain incremental costs incurred in acquiring a contract with a customer is deferred on the consolidated statement of financial position and amortized as revenue is recognized under the related contract; this will generally lead to the later recognition of charges for some commissions payable to third party distributors and employees. Intermediaries are given incentives by the Group to acquire new customers and upgrade existing customers. Activation commission and renewal commission paid on post-paid connections are amortized over the period of the contract. In case of prepaid customers, commission costs are expensed when incurred.

Customer loyalty programs

The Group operates a customer loyalty program that provides a variety of benefits for customers. The Group allocates the consideration received between products and services in a bundle including loyalty points as separate performance obligation based on their stand-alone selling prices.



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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Installation and activation services

Revenue from sale of SIM is recognized at the point in time upon activation when end customer takes control of the SIM. The Group provides installation services that are bundled together with the sale of devices to a customer. Contracts for bundled sales of devices and installation services are comprised of one performance obligations because the promises to transfer devices and provide installation services are not capable of being distinct. Accordingly, the Group recognizes revenue of services from bundled sales of devices and installation services over time, using an input method to measure progress towards complete satisfaction of the service because the customer simultaneously receives and consumes the benefits provided by the Group.

Contract balances

Contract assets

A contract asset is the Group's right to consideration in exchange for goods and services transferred by the Group to the customer. If the Group transfers goods or services to a customer before the customer pays any consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets.

Contract liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date with certain exception.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests are entitled to a proportionate share of the acquiree's identifiable net assets.

Financial instruments

Classification, recognition, and presentation

Financial instruments are recognized in the consolidated statement of financial position when and only when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial instruments at initial recognition.

The Group classifies its financial assets within the following categories:

- a) at fair value [either through other comprehensive income (OCI), or through profit or loss]; and
- b) at amortized cost.

The classification depends on the entity's business model for managing the financial assets (for debt instruments) and the contractual terms of the cash flows.

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Derivatives embedded in host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognized in the consolidated statement of profit or loss and other comprehensive income.

Measurement

Initial measurement

Financial assets and financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of financial assets and issue of financial liabilities or, where appropriate, deducted from them. (Except for financial assets and financial liabilities classified at fair value where transaction costs directly attributable to the acquisition of financial assets or financial liabilities are recognized directly in the consolidated statement of profit or loss and other comprehensive income). Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

a) Financial assets measured at amortized cost:

Assets that are held to collect contractual cash flows are measured at amortized cost using the effective interest rate ('EIR') method where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income. The financial assets at amortized cost consist of trade receivables, term deposits, cash and cash equivalents, and other receivables.

b) Financial assets measured at fair value through profit or loss:

Financial assets measured at fair value through profit or loss ("FVTPL") are measured at each reporting date at fair value without the deduction of transaction costs that the Group may incur on sale or disposal of the financial asset in the future.

c) Financial assets measured at fair value through other comprehensive income:

Financial assets measured at fair value through other comprehensive income ("FVOCI") are measured at each reporting date at fair value without the deduction of transaction costs that the Group may incur on sale or disposal of the financial asset in the future.

When a financial asset is derecognized, the accumulated gain or loss recognized previously in the consolidated statement of comprehensive income is reclassified to the consolidated statement of profit and loss. However, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit and loss in the case of equity instruments.



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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

The recognition and presentation of gains and losses for each measurement category are as follows:

a) Financial assets measured at amortized cost:

The following items are recognized in the consolidated statement of profit or loss and other comprehensive income:

- finance income using the effective interest method;
- expected credit losses (or reversals of such losses); and
- foreign exchange gains and losses.

When the financial asset is derecognized, the gain or loss is recognized in the consolidated statement of profit or loss and other comprehensive income.

b) Financial assets measured at fair value through profit or loss:

Gains and losses, both on subsequent measurement and derecognition, are recognized in consolidated statement of profit or loss and other comprehensive income.

Gains and losses are recognized in the consolidated statement of comprehensive income, except for the following items, which are recognized in consolidated statement of profit or loss and other comprehensive income in the same manner as for financial assets measured at amortized cost:

- finance income using the effective interest method;
- expected credit losses (or reversals of such losses); and
- foreign exchange gains and losses.

Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes an allowance base on lifetime ECLs at each reporting date.

The Group established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For government, related parties and key private customers, the Group estimates the loss allowance based on the internal assessment to evaluate the collectability of the balances and such assessment is done based on the available information and negotiations underway. An estimate of the collectible amount is made when collection of the amount is no longer probable. For certain customer categories, this estimate is performed on an individual basis while other customer categories are assessed collectively and an allowance is applied according to the length of time past due.

The Group assumes that the credit risk on a financial asset has increased significantly if it is past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment loss allowance related to trade receivables and other assets, including contract assets, are presented separately in consolidated statement of profit or loss and other comprehensive income.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Any subsequent recovery of previously written-off amount is recorded as an income and is netted off against bad debt expenses of the year it is recovered.

Subsequent measurement of financial liabilities

a) Financial liabilities measured at amortized cost:

The Group should classify all financial liabilities at amortized cost and remeasure subsequently as such, except for:

- financial liabilities at FVTPL;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or is accounted for using the continuing involvement approach;
- commitments to provide a loan at a below-market interest rate and not measured at fair value though profit or loss; and
- financial guarantee contracts.

Financial liabilities classified at amortized cost are measured using the effective interest rate method. When the financial liabilities are derecognized, the gain or loss is recognized in consolidated statement of profit or loss and other comprehensive income.

b) Financial liabilities at fair value through profit or loss:

Financial liabilities falling under this category include:

- liabilities held for trading;
- derivative liabilities not designated as hedging instruments; and
- those designated as at FVTPL.

After initial recognition, the Group measures financial liabilities at fair value with changes recognized in the consolidated statement of profit or loss and other comprehensive income.

Gains or losses on a financial liability designated as at FVTPL are generally split and presented as follows:

- the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that financial liability is presented in the consolidated statement of comprehensive income.
- the remaining amount of change in the fair value of the financial liability is presented in the consolidated statement of profit or loss and other comprehensive income.

c) Financial guarantees

A financial guarantee is a contract that requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantees are measured initially at their fair values and, if not designated as FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of ECL determined in accordance with IFRS 9 – "Financial instruments"; and
- the amount recognized initially less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policy described in the accounting policies.



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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

De-recognition

De-recognition of financial assets:

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

De-recognition of financial liabilities:

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value. If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated statement of income. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as financing income.

Financial liabilities

The Group derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in consolidated statement of income.

Derivatives and hedging activities

For hedge accounting, the Group designates derivatives as either hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge); or hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge) or hedges of a net investment in a foreign operation (net investment hedge).

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognized in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to the consolidated statement of profit or loss and other comprehensive income when the hedged item affects profit or loss. If the hedged item is time-period related, then the amount accumulated in the cost of hedging reserve is reclassified to the consolidated statement of profit or loss and other comprehensive income on a rational basis – the Group applies straight-line amortization. Those reclassified amounts are recognized in the consolidated statement of profit or loss and other comprehensive income in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognized non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to the consolidated statement of profit or loss and other comprehensive income.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of profit or loss and other comprehensive income and is included in the 'other income and expenses' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to the consolidated statement of profit or loss and other comprehensive income in the periods when the hedged item affects the consolidated statement of profit or loss and other comprehensive income, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to the consolidated statement of profit or loss and other comprehensive income.



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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to the consolidated statement of profit or loss and other comprehensive income when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to the consolidated statement of profit or loss and other comprehensive income.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. The statement of the consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss within 'Share of profit of an associate and a joint venture' in the consolidated statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of profit or loss and other comprehensive income.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Significant accounting judgements, estimates and assumptions in applying accounting policies

Gross versus net presentation – significant accounting judgment

When the Group sells goods or services as a principal, revenue and payments to suppliers are reported on a gross basis in revenue and operating costs. If the Group sells goods or services as an agent, revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin earned.

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5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners; such judgements impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities or cash flows.

Impairment of non-financial assets – significant accounting estimates and assumptions

An impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Impairment of Trade receivable and Contract assets – significant accounting estimates and assumptions

The Group uses a provision matrix to calculate expected credit loss on trade receivables and contract assets. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical loss experience with forward looking information. At the end of each reporting date, the Group updates its historical default rates and reflects that in future estimates.

For government, related parties and key private customers, the Group estimates the loss allowance based on the internal assessment to evaluate the collectability of the balances and such assessment is done based on the available information and negotiations underway. An estimate of the collectible amount is made when collection of the amount is no longer probable. For certain customer categories, this estimate is performed on an individual basis while other customer categories are assessed collectively and an allowance is applied according to the length of time past due.

Arrangements with multiple performance obligation – significant accounting judgment

In revenue arrangements where more than one good or service is provided to the customer, customer consideration is allocated between the goods and services using relative fair value principles. The Group generally determines the fair value of individual elements based on prices at which the deliverable is regularly sold on a stand-alone basis. Revision to the estimates of these fair values may significantly affect the allocation of total arrangement consideration among the individual elements.

Useful lives and residual values of property and equipment and intangible assets – significant accounting estimates and assumptions

An estimate of the useful lives and residual values of property and equipment and intangible assets, which comprise a significant portion of the Group's total assets, is made for the purposes of calculating depreciation and amortization respectively. These estimates are made based on expected usage for useful lives. Residual value is determined based on experience and observable data where available.

Employees' end of service benefits obligation – significant accounting estimates and assumptions

The Group makes various estimates in determining the provision for employees' end of service benefits. These estimates are disclosed in note 23.

Zakat assessments – significant accounting estimates and assumptions

Provision for zakat and withholding taxes is determined by the Group in accordance with the requirements of the Zakat, Tax, and Customs Authority ("ZATCA") and is subject to change based on final assessments received from the ZATCA. The Group recognizes liabilities for any anticipated zakat and withholding tax based on management's best estimates of whether additional zakat/taxes will be due. The final outcome of any additional amount assessed by the ZATCA is dependent on the eventual outcome of the appeal process which the Group is entitled to. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences could impact the consolidated statement of profit or loss and other comprehensive income in the period in which such final determination is made.



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5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**Fair value measurement of financial instruments – significant accounting estimates and assumptions**

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See note 35 for further disclosures.

Determining the lease term of contracts with renewal and termination options – Group as lessee – significant accounting judgment

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in the circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the contract.

Leases - Estimating the incremental borrowing rate – significant accounting estimates and assumptions

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provisions – significant accounting estimates and assumptions

In respect of provisions, including provisions related to facilities usage, the Group provides for anticipated outflows of resources considered probable. Estimates are used in assessing the likely amount of the settlement. The ultimate liability may vary from the amounts provided and would be dependent on the eventual outcome. Provisions are recorded on the value of settlement as and when arise.

6 CASH AND CASH EQUIVALENTS

	2025	2024
Cash in hand	2,199	2,103
Cash at banks	798,958	538,098
Short term deposits	150,000	300,000
Cash and cash equivalents	951,157	840,201
Cash at bank under lien*	(542)	(1,068)
	950,615	839,133

The Group invests part of the surplus cash in time deposits with maturity period of three month or less with local commercial banks. The annual commission average rates on these deposits during 2025 were ٬ 4.2% (2024: 4.9%). The total commission earned by the Group during 2025 was ٬ 14.7 million (2024: ٬ 32.3 million).

* Cash at bank under lien represents the guarantees provided by the Group against cash margin on the balance kept in bank.

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7 TRADE RECEIVABLES AND OTHER ASSETS

	2025	2024
Trade receivables	5,103,232	4,084,352
Islamic financing receivables *	1,009,765	933,710
Less: Expected credit losses	(1,370,367)	(1,095,283)
Net trade receivables	4,742,630	3,922,779
Other operators' receivable	753,592	724,247
Other current assets	655,753	758,938
Advances to suppliers and others	227,659	312,598
Prepayments	245,011	165,004
Advances for transmission lines and fiber links	6,718	6,916
Other receivables	240,448	167,916
	6,871,811	6,058,398

* These represents receivables of Tamam Finance Company for providing Shariah compliant financing facilities to their customers.

The breakdown of the trade receivables is in note 35. The carrying amounts of the Group's trade receivables and other assets are denominated in the following currencies:

	2025	2024
٬	6,564,718	5,890,103
US Dollars (presented in ٬)	307,093	168,295
	6,871,811	6,058,398

The average credit period on sales of goods and services is 30 days. No interest is charged on trade receivables.

The Group performs credit-vetting procedures before granting credit to new customers. These procedures are reviewed and updated on an ongoing basis.

Two of the Group's debtors comprise 13% of the total trade receivables balance (2024: 17%). There are no other customers who comprise more than 10% of the total trade receivables balance.

Stage wise movement in Islamic financing receivables - gross carrying amount

	2025			
	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	563,351	254,983	115,376	933,710
Transfer to 12-months	86,407	(55,500)	(30,907)	-
Transfer to lifetime not credit-impaired	(221,580)	225,943	(4,363)	-
Transfer to lifetime credit-impaired	(13,867)	(109,705)	123,572	-
New originated	768,060	-	-	768,060
Net other movements*	(547,622)	(36,585)	66,631	(517,576)
Write-offs	-	-	(174,429)	(174,429)
As at 31 December 2025	634,749	279,136	95,880	1,009,765



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7 TRADE RECEIVABLES AND OTHER ASSETS (CONTINUED)

	2024			
	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	362,723	158,599	134,571	655,893
Transfer to 12-months	11,593	(8,024)	(3,569)	-
Transfer to lifetime not credit-impaired	(226,956)	230,078	(3,122)	-
Transfer to lifetime credit-impaired	(7,628)	(53,799)	61,427	-
New originated	624,786	-	-	624,786
Net other movements*	(201,167)	(71,871)	13,272	(259,766)
Write-offs	-	-	(87,203)	(87,203)
As at 31 December 2024	563,351	254,983	115,376	933,710

* Net other movements include financial assets settled and other measurements.

Stage wise movement in Islamic financing receivables - credit loss allowance

	2025			
	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	6,159	8,880	49,470	64,509
Transfer to 12-months	17,134	(3,302)	(13,832)	-
Transfer to lifetime not credit-impaired	(3,936)	4,856	(920)	-
Transfer to lifetime credit-impaired	(169)	(3,691)	3,860	-
New originated	15,930	-	-	15,930
Net other movements*	(28,137)	2,243	178,314	152,420
Write-offs	-	-	(174,429)	(174,429)
As at 31 December 2025	6,981	8,986	42,463	58,430

	2024			
	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	682	11,587	46,519	58,788
Transfer to 12-months	1,788	(539)	(1,249)	-
Transfer to lifetime not credit-impaired	(4,951)	6,024	(1,073)	-
Transfer to lifetime credit-impaired	(378)	(4,617)	4,995	-
New originated	10,607	-	-	10,607
Net other movements*	(1,589)	(3,575)	87,481	82,317
Write-offs	-	-	(87,203)	(87,203)
As at 31 December 2024	6,159	8,880	49,470	64,509

* Net other movements include financial assets settled and net re-measurement of loss allowance.

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7 TRADE RECEIVABLES AND OTHER ASSETS (CONTINUED)

Movement in the allowance for expected credit losses

	2025	2024
Opening balance	1,095,283	1,217,201
Charge for the year	449,475	470,618
Effect of acquisition of new subsidiaries	50	-
Amount written off during the year	(174,441)	(592,536)
Closing balance	1,370,367	1,095,283

Total amount charged to the consolidated statement of profit or loss and other comprehensive income.

	2025	2024
Expected credit loss charged during the year	449,475	470,618
Reversal during the year	(72,486)	(41,435)
Closing balance	376,989	429,183

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

8 CONTRACT BALANCES

Contract assets

	2025	2024
Unbilled revenue	417,355	394,252
Less: Allowance for expected credit loss	(676)	(311)
	416,679	393,941
Current	138,710	122,600
Non-current	277,969	271,341
	416,679	393,941

Movement on the expected credit loss allowance on contract assets

	2025	2024
Opening balance	311	901
Amounts charged / (reversed) during the year	365	(590)
Closing balance	676	311

Deferred income and contract liabilities	2025	2024
Contract liabilities – prepaid customers	216,358	224,154
Deferred income – government grant (refer note 38)	328,319	82,090
	544,677	306,244
Current	216,358	224,154
Non-current	328,319	82,090
	544,677	306,244



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9 INVENTORIES

	2025	2024
Handsets and accessories	183,662	261,285
Sim cards	5,231	9,560
Prepaid recharge cards	92	91
Others	13,751	12,442
	202,736	283,378
Less: Write down of inventories to NRV	(22,230)	(20,198)
	180,506	263,180
Cost of inventories recognized as an expense	1,315,203	1,060,209

Movement of the write down of inventory to NRV

	2025	2024
Opening balance	20,198	23,417
Amounts charged / (reversed) during the year	2,032	(3,219)
Closing balance	22,230	20,198

Closing balance of inventories represents inventories costing ﷲ 91.63 million (2024: ﷲ 125.73 million) which has been written down to its net realizable value amounting to ﷲ 69.40 million (2024: ﷲ 105.53 million).

10 INVESTMENT IN AN ASSOCIATE AND JOINT VENTURES

	2025	2024
Digital Application Trading Company LLC (refer note 10-1)	6,251	2,152
Integrated Data Company for Information Technology LLC (refer note 10-2)	6,821	6,821
	13,072	8,973

10-1 Digital Application Trading Company L.L.C

On 9 July 2022, the Group and Zain Ventures Holding Company W.L.L (Zain Ventures) signed a Shareholders' agreement with Digital Application Trading Company L.L.C "PHT" registered under the laws of KSA, by virtue of which all parties of the agreement agreed and recorded terms and conditions relating to the shareholding, funding, management and support requirements of Entertainment Content Trading Company (Single Owner) L.L.C "ECT" already formed and registered under the laws of KSA, currently owned by PHT.

The Group, Zain Ventures, PHT and ECT on 8 September 2022 entered into a Subscription Agreement, by virtue of which the Group and Zain Ventures Holding Company W.L.L agrees to subscribe to 30% shareholding in ECT with an amount of ﷲ 9.38 million each, in two phases. The first phase of investment has been completed and the company subscribed with ﷲ 2 million capital increase as at 31 March 2023, providing 15% of ownership in ECT. The remainin ﷲ 2.687 million was paid in April 2023. The Group has significant influence over ECT with 15% shareholding and 33% representation on the Board of ECT, hence, classified as investment in an associate.

The Group, Zain Ventures, PHT and ECT on 1 October 2025 entered into an agreement to buy out PHT shares in ECT without any further consideration but by waiving all liabilities against and in favor of ECT and by injecting an amount of ﷲ 4.7 million being the remaining amount of second phase, resulting in an increase of the shareholding of Group and Zain Ventures to 50%, each, which was executed accordingly during the year.

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10 INVESTMENT IN AN ASSOCIATE AND JOINT VENTURES (CONTINUED)

The movement in investment in associate during the period is as follows:

	2025	2024
At the beginning of the period	2,152	2,918
Investment in ECT	4,700	-
Share of loss of associate for the period	(601)	(766)
Closing balance	6,251	2,152

Below is the financial summary of the associate taken from the management prepared unaudited financial statements.

	2025	2024
Consolidated statement of financial position:		
Current assets	1,793	1,826
Non-current assets	281	281
Current liabilities	6,920	9,129
Equity	(4,846)	(7,022)
Consolidated statement of profit or loss and other comprehensive income:		
Revenue	1,457	1,906
Total comprehensive loss for the year	(1,912)	(5,104)
Total comprehensive loss for the period ended 30 September	(1,014)	(4,213)

10-2 Integrated Data Company for Information Technology L.L.C

On 9 July 2022, the Group and other Mobile Network Operators (MNOs) signed a term sheet to establish a Integrated Data Company for Information Technology L.L.C "IDC" to process insight provided by MNOs for enabling KSA governmental agencies to plan and achieve 2030 vision efficiently. Subsequently all parties signed Subscription and Shareholders' agreement, pursuant to which the Group acquired 31% shareholding with a representation of two directors on the Board of IDC. The Board of IDC will have eight directors. All three MNOs can appoint two directors, each and additionally, all three MNOs can appoint two independent directors, unanimously. Hence, classified as investment in a joint venture. The amount invested in IDC amounts to ﷲ 6.82 million and is payable as at the date of these consolidated financial statements. IDC has yet to commence its' operations, however has been incorporated on 21 Ramadan 1444H in KSA (corresponding to 12 April 2023).

11 RIGHT OF USE ASSETS

The recognized right-of-use assets relate to the following types of assets:

2025	Land and building	Cellular and other equipment	Total
Opening balance	528,150	569,994	1,098,144
Additions	185,532	397,406	582,938
Depreciation	(148,515)	(160,099)	(308,614)
Reassessment, modification and termination	(16,958)	45,098	28,140
Closing balance	548,209	852,399	1,400,608
2024			
Opening balance	341,820	500,905	842,725
Additions	333,668	143,306	476,974
Depreciation	(149,742)	(140,129)	(289,871)
Reassessment, modification and termination	2,404	65,912	68,316
Closing balance	528,150	569,994	1,098,144

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11 RIGHT OF USE ASSETS (CONTINUED)

The total amount recorded in consolidated statement of profit or loss and other comprehensive income for right of use assets includes ﷲ nil (2024: reversal of ﷲ 30 million) with respect to site rent. Land and building comprise mainly of telecommunication sites on lease. The Group does not have any lease contracts with variable lease payments which are not included in the measurement of the lease liabilities.

The Group's leasing activities and how these are accounted for;

The Group mostly leases indoor and outdoor spaces for installation of its telecommunications sites. Rental contracts are typically made for fixed periods of 1 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

12 PROPERTY AND EQUIPMENT

Cost	Land	Leasehold improvements	Telecom equipment	IT systems and servers	Furniture and office equipment	Transportation equipment	Assets under construction	Total
Cost								
At 1 January 2025	6,549	340,393	15,528,944	1,198,140	159,596	3,851	872,895	18,110,368
Additions	-	4,705	341,237	122,819	3,160	-	381,080	853,001
Effect of acquisition of new subsidiaries	-	267	-	439	1,555	542	-	2,803
Transfers to property and equipment	-	-	507,266	12,341	877	-	(520,484)	-
Transfer to intangible assets	-	-	-	-	-	-	(16,941)	(16,941)
Disposals	-	-	(240,032)	(5)	-	-	-	(240,037)
At 31 December 2025	6,549	345,365	16,137,415	1,333,734	165,188	4,393	716,550	18,709,194
Depreciation								
At 1 January 2025	-	324,855	11,798,124	854,861	151,309	3,851	-	13,133,000
Effect of acquisition of new subsidiaries	-	186	-	348	1,096	513	-	2,143
Charge for the year	-	5,756	899,386	123,814	3,099	4	-	1,032,059
Disposals	-	-	(227,764)	(5)	-	-	-	(227,769)
At 31 December 2025	-	330,797	12,469,746	979,018	155,504	4,368	-	13,939,433
Net book value	6,549	14,568	3,667,669	354,716	9,684	25	716,550	4,769,761
Cost								
At 1 January 2024	6,549	331,511	14,766,045	1,053,343	154,998	3,851	550,121	16,866,418
Additions	-	8,882	421,894	82,733	4,598	-	861,065	1,379,172
Transfers to property and equipment	-	-	470,172	62,158	-	-	(532,330)	-
Transfer to intangible assets	-	-	-	-	-	-	(5,166)	(5,166)
Disposals	-	-	(129,167)	(94)	-	-	(795)	(130,056)
At 31 December 2024	6,549	340,393	15,528,944	1,198,140	159,596	3,851	872,895	18,110,368
Depreciation								
At 1 January 2024	-	319,923	10,912,445	745,449	148,395	3,851	-	12,130,063
Charge for the year	-	4,932	957,378	109,506	2,914	-	-	1,074,730
Disposals	-	-	(71,699)	(94)	-	-	-	(71,793)
At 31 December 2024	-	324,855	11,798,124	854,861	151,309	3,851	-	13,133,000
Net book value	6,549	15,538	3,730,820	343,279	8,287	-	872,895	4,977,368

The Group has capitalized, internal technical salaries, during the year ended 31 December 2025 amounting to ﷲ 56 million (2024: ﷲ 51 million). During the year, the net additions in property and equipment amounted to ﷲ 596 million (2024: ﷲ 1,244 million). Assets under construction mainly pertains to telecom equipment and IT systems and servers.

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13 CAPITAL ADVANCES

	2025	2024
Capital advances	840,269	901,595

The capital advances relate to the payment to supplier in advance and before completion of the project for telecom equipment. Upon completion, the amounts recognized as capital advances are reclassified to property and equipment. Provision of ﷲ 3.06 million (2024: ﷲ 3.06 million) has been accrued on such advances.

14 INTANGIBLE ASSETS

Cost	License fee*	Computer software licenses	IRU**	Brand****	Spectrum***	Goodwill*****	Total
At 1 January 2025	23,364,250	590,388	1,767,018	-	1,885,489	-	27,607,145
Additions	-	20,769	61,033	-	409,048	-	490,850
Effect of acquisition of new subsidiaries	-	221	-	-	-	25,865	26,086
Transfers from property and equipment	-	8,475	8,466	-	-	-	16,941
At 31 December 2025	23,364,250	619,853	1,836,517	-	2,294,537	25,865	28,141,022
Amortization							
At 1 January 2025	11,961,801	502,865	825,056	-	760,743	-	14,050,465
Effect of acquisition of new subsidiaries	-	206	-	-	-	-	206
Charge for the year	517,138	29,926	119,955	-	152,969	-	819,988
At 31 December 2025	12,478,939	532,997	945,011	-	913,712	-	14,870,659
Net book value	10,885,311	86,856	891,506	-	1,380,825	25,865	13,270,363

Cost	License fee*	Computer software licenses	IRU**	Brand****	Spectrum***	Goodwill*****	Total
At 1 January 2024	23,364,250	572,993	1,676,095	7,500	1,885,489	-	27,506,327
Additions	-	12,229	90,923	-	-	-	103,152
Transfers from property and equipment	-	5,166	-	-	-	-	5,166
Impairment	-	-	-	(7,500)	-	-	(7,500)
At 31 December 2024	23,364,250	590,388	1,767,018	-	1,885,489	-	27,607,145
Amortization							
At 1 January 2024	11,444,663	471,367	710,327	-	635,044	-	13,261,401
Charge for the year	517,138	31,498	114,729	-	125,699	-	789,064
At 31 December 2024	11,961,801	502,865	825,056	-	760,743	-	14,050,465
Net book value	11,402,449	87,523	941,962	-	1,124,746	-	13,556,680



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14 INTANGIBLE ASSETS (CONTINUED)

The net book value and expiry dates of the most significant intangible assets are as follows:

	End of amortization period	2025	2024
License fee	Jan 2047	10,885,311	11,402,449
Right of Use (multiple items)	Between Nov 2025 & Dec 2037	891,506	941,962
Spectrum 2x10MHz of 1800MHz	Dec 2032	329,601	376,682
Spectrum 2x10 of 800 MHz	Dec 2033	304,947	343,066
Spectrum 2600 & 3500 MHz	Dec 2034	364,498	404,998
Spectrum 2x15MHz of 600MHz	Dec 2039	381,779	-
		13,157,642	13,469,157

***License fee**

Pursuant to the Ministerial Resolutions No. 176 dated 25 Jumada I 1428H (corresponding to 11 June 2007) and No. 357 dated 28 Dhu Al-Hijjah 1428H (corresponding to 7 January 2008) and Royal Decree No. 48/M dated 26 Jumada I 1428H (corresponding to 12 June 2007), the 3rd license to provide mobile telecommunication services within the Kingdom of Saudi Arabia over 25 years was granted to the Group for an amount of ﷲ 22.915 billion. The license fee also comprises an amount equal to ﷲ 449.18 million relating to financing costs which were capitalized as part of the license cost.

Based on the High Order dated 30 Dhu Al-Hijjah 1437H (corresponding to 1 October 2016), which was announced by the Capital Market Authority on 1 Muharram 1438H (corresponding to 2 October 2016), directed the Communications, Space & Technology Commission (CST) to coordinate with Mobile Telecommunication Company Saudi Arabia to extend its license for an additional 15 years' period. This extended the remaining period to 32 years ending on 21 Rabi Al Awwal 1469H (corresponding to 18 January 2047).

****Indefeasible Rights of Use ("IRU")**

IRUs corresponds to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognized at cost as an asset when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibers or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life. They are amortized on a straight-line basis over the shorter of the expected period of use or the life of the contract which ranges between 10 to 20 years.

*****Spectrum**

Spectrum corresponds to the radio frequency allocated to the mobile acquired through a bid from CST. Spectrum is recognized at discount using the interest effective method and amortized on a straight-line basis over contractual payment term. The liability amount related to the Spectrum capitalized under intangible assets is recorded under long term portion of spectrum.

******Brand**

Brand corresponds to the brand "Alo" that the Group acquired, in 2015 for an indefinite useful life, with all its benefits. The brand is not subject to amortization as its life is indefinite. The Group, as a part of annual impairment testing of the brand evaluated that the actual cash inflows from the brand was immaterial, significantly lower than the budgeted cash flows, indicating a potential impairment of brand. Accordingly, the Group has impaired the entire carrying amount.

*******Goodwill**

- a) Goodwill resulted from the Group's acquisition of Tam2Go amounting to ﷲ 22.27 million (2024: nil) (refer note 41).
 b) Goodwill resulted from the Saira Group Company's acquisition of Green Shield amounting to ﷲ 3.60 million (2024: nil) (refer note 41).

15 TRADE AND OTHER PAYABLES

	2025	2024
Accruals	1,846,496	2,400,079
Trade payables	2,691,358	2,203,427
Accrued government charges	168,164	401,900
Notes payable	234,932	376,877
Employee related accruals	65,624	55,901
Accrued financial charges	21,755	38,429
M.O.F accrued finance cost (refer note 16-2)	-	11,384
Other payables	236,575	144,911
	5,264,904	5,632,908

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15 TRADE AND OTHER PAYABLES (CONTINUED)

Accrued government charges and other payables contain certain regulatory and other legal charges with an amount of ﷲ 354 million (2024: ﷲ 528 million).

No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

16 BORROWINGS

	2025	2024
Syndicate Murabaha facility (refer to note 16.1)	-	4,658,888
New syndicate Murabaha facility (refer to note 16.5)	5,463,224	-
Working capital Murabaha facility (refer to note 16.1)	-	370,000
New working capital Murabaha facility (refer to note 16.4)	170,000	-
Murabaha facility agreement (refer to note 16.2)	1,925,836	1,934,071
CAPEX vendor financing facility agreement (refer to note 16.3)	1,003,424	735,801
Account receivable factoring (refer to note 16.3)	-	500,000
Total borrowings*	8,562,484	8,198,760

The current and non-current amounts are as follows:

	2025	2024
Current borrowings	233,263	5,965,202
Non-current borrowings	8,329,221	2,233,558
Total borrowings	8,562,484	8,198,760

The carrying amounts of the Group borrowings are denominated in the following currencies:

	2025	2024
ﷲ	8,562,484	7,260,334
US Dollar (presented in ﷲ)	-	938,426
	8,562,484	8,198,760

* Accrued financial cost on these borrowings amounts to ﷲ 21.76 million (2024: ﷲ 38.43 million) are classified in trade and other payables.

The facility agreements below contain financial (leverage ratio) and non-financial covenants. The Group has complied with all the covenants of borrowings in the current year.

16-1 Syndicated Murabaha facility

On 27 September 2020, the Group refinanced and extended the maturity date of its existing five years syndicated Murabaha facility (MFA) obtained from the commercial banks for a total amount available up to ﷲ 6,000 million with two years grace period, at three or six months SIBOR plus margin and three or six months SOFR plus margin (2024: three or six months SIBOR plus margin, three or six months LIBOR plus margin and three or six months SOFR plus margin). Moreover, the agreement includes a working capital facility of ﷲ 1,000 million bringing the total facility amounting to ﷲ 7,000 million.

Financing charges, as specified under the "Murabaha financing agreement" are payable in quarterly or half yearly installments over five years. MFA is secured partially by a guarantee from Mobile Telecommunications Company K.S.C.P and a pledge of shares of the Group owned by some of the founding shareholders and assignment of certain contracts and receivables and fixed assets up to the outstanding balance at the date of reporting as mentioned above.

As at 30 September 2025, the Group closed and paid the long-term facility amounting to ﷲ 4,700.8 million in full and total unused working capital facility against MFA amounting to ﷲ 1,000 million has been cancelled. (2024: unused portion was ﷲ 630 million).

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16 BORROWINGS (CONTINUED)

16-2 Murabaha facility agreement with MOF

During 2013, the Group signed an agreement with the Ministry of Finance (MOF), Kingdom of Saudi Arabia to defer payments of its dues to the Government for the next seven years ending May 2020. These deferred payments under agreement contain commercial commission payable annually, while the amount is repayable in seven years starting from June 2021 as per original terms, which was then revised in 31 October 2021. Based on revised scheduling the first repayment has been settled in November 2021.

On 20 February 2023, the Group has signed a revised agreement with MOF in which the existing deferral of payment to MOF along with commercial commission payable is converted into a Murabaha facility with MOF and Al Rajhi Banking & Investment Corporation has been appointed as the Murabaha Facility Agent. The facility matures on June 2027 with yearly scheduled repayment on 1 June every year till maturity, starting from June 2024. Finance charges are payable in either quarterly or yearly frequency, to be decided at each repayment term by the Group. The accrued interest related to the MOF payable is recorded under trade and other payables. The facility does not have any security assigned to it.

On 16 February 2025, the Group has repaid the facility with MOF in full and obtained a new Islamic Shariah compliant facility amounting to ﷲ 1,934 million from Al Rajhi bank repayable in a single bullet payment upon its maturity on 14 Shawwal 1451H corresponding to 17 February 2030. The facility obtained is on commercial term, where the profit is payable on quarterly basis based on fixed margin and three months SIBOR.

16-3 CAPEX vendor financing facility agreement and account receivable factoring

On 13 May 2024, the Group signed with Al Rajhi bank for ﷲ 1,625 million facility including transaction cost amounting to ﷲ 11.25 million to fund for the capital expenditure payment against several projects up to ﷲ 1,125 million and receivables discounting banking facility up to ﷲ 500 million. The Group has availed ﷲ 1,012.21 million out of CAPEX facility as at the reporting period (2024: ﷲ 747.45 million). The interest amounting to ﷲ 59.31 million has been capitalized by the Group during year ended 31 December 2025 based on effective interest rate of the loan (2024: ﷲ 21.27 million). CAPEX loan is repayable biannually, after two year grace period in accordance with the terms of the agreement and is maturing on 4 Safar 1456H corresponding to 23 April 2034 and the profit is payable on biannual basis based on fixed margin and six months SIBOR.

During the year, the Group has fully paid the receivables discounting banking facility amounting to ﷲ 500 million.

16-4 New working capital Murabaha facility

On 30 April 2025, Tamam Finance Company (Tamam) signed with Al Rajhi bank for ﷲ 200 million working capital Murabaha facility to fund for the short term expenditure and be repayable within twelve months. As at the reporting date, Tamam has withdrawn ﷲ 170 million out of this facility.

The facility obtained is on commercial term, where the profit is payable on quarterly basis based on fixed margin and three months SIBOR.

16-5 New syndicate Murabaha facility

On 30 September 2025, the Group signed ﷲ 5,500 million syndicated Murabaha facility with commercial banks at three months SIBOR plus margin. The proceeds of tranche 1 of the loan amounting to ﷲ 5,200 million have been used to pay existing Murabaha facility and receivables discounting banking facility, both matured on 30 September 2025, amounting to ﷲ 4,700.80 million and ﷲ 500 million, respectively (Refer note 16.1 and 16.3).

The proceeds of tranche 2 of the loan amounting to ﷲ 300 million is drawn to fund for the CAPEX expenditure payment against several projects in line with the Group's capital expenditure needs. Both the tranches are repayable after one year grace period and in accordance with the terms of the agreement and is maturing on 2 Jumada Al-Akhirah 1452H corresponding to 30 September 2030.

The facility obtained is on commercial term, where the profit is payable on quarterly basis based on fixed margin and three months SIBOR.

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16 BORROWINGS (CONTINUED)

16-6 Murabaha facility agreement with commercial bank

On 27 August 2025, the Group signed with a commercial bank a working capital Murabaha facility agreement amounting to ﷲ 750 million to fund for the short term expenditure and is repayable within twelve months. As at the reporting date, the Group has not withdrawn any amount out of this facility.

The facility obtained is on commercial term, where the profit is payable on quarterly or bi-annually basis based on three or six months SIBOR, as determined by that commercial bank.

17 PROVISIONS

	2025	2024
Provisions for usage of facilities (refer note 17-1)	44,761	116,749
Provisions against legal cases (refer note 17-2)	4,207	5,325
Other provisions (refer note 17-3)	-	11,501
	48,968	133,575

17-1 Provisions for usage of facilities

	2025	2024
Balance as at 1 January	116,749	194,143
Reversal during the year	-	(31,172)
Payments / settlement during the year	(71,988)	(46,222)
Balance as at 31 December	44,761	116,749

17-2 Provisions against legal cases

	2025	2024
Balance as at 1 January	5,325	29,667
Charged during the year	11,771	15,778
Reversal during the year	-	(27,048)
Payments / settlement during the year	(12,889)	(13,072)
Balance as at 31 December	4,207	5,325

The Group is considered a party to a number of legal and regulatory claims. The Group, after taking legal advice, has established provisions after considering the facts for each case.

17-3 Other provisions

	2025	2024
Balance as at 1 January	11,501	11,501
Payments / settlement during the year	(11,501)	-
Balance as at 31 December	-	11,501



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18 LEASE LIABILITIES

	2025	2024
Opening balance	1,488,996	1,233,030
Additions	582,938	485,431
Finance cost	107,002	89,077
Reassessment, modification and termination	35,804	74,827
Payments	(248,579)	(224,003)
Transfer to trade and other payables on due date	(152,677)	(169,366)
Closing balance	1,813,484	1,488,996
Current	282,314	186,680
Non-current	1,531,170	1,302,316
	1,813,484	1,488,996

19 AMOUNTS DUE TO RELATED PARTIES

	2025	2024
Mobile Telecommunications Company K.S.C.P (refer to note 19-1)	170,000	405,968
Mobile Telecommunications Company K.S.C.P (refer to note 19-2)	-	7,095
Founding shareholders (refer to note 19-3)	60,409	60,409
Other related parties	471	9,982
	230,880	483,454

19-1 Mobile Telecommunications Company K.S.C.P

This amount relates to accrued management fees and is payable to the Group's largest shareholder. The amount is unsecured, interest free and is payable on demand.

19-2 Mobile Telecommunications Company K.S.C.P

These amounts represent the other inter-Company balance and does not bear any interest.

19-3 Founding shareholders

This amount relates to accrued finance charges and is payable to the Group's founding shareholders. The amount is unsecured and is payable on demand.

20 DIVIDEND AND DIVIDEND PAYABLE

Out of dividend declared, ﷲ 0.5 per share, for the years 2024, 2023 and 2022, amount of ﷲ 0.01 million was returned to the Company due to dormant accounts or missing information of beneficiaries, which is represented as dividend payable as at reporting date (2024: out of dividend declared for 2023 and 2022: ﷲ 2.5 million).

21 SPECTRUM PAYABLE

	2025	2024
Non-current portion of spectrum payable (refer note 14)	1,175,455	931,407

During the year, the Group has obtained a spectrum amounting to ﷲ 624 million for a period of 15 years. The amount is to be paid in 13 equal installments.

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22 DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into profit rate swaps, which matured in September 2025. The maturity of the profit rate swap was extended till the extended maturity of the refinanced loan which is paid in full in the current year. (refer note 16-1). Accordingly, the profit rate swaps are also expired during the current year, and hedge accounting was discontinued from the date of expiry.

The outstanding notional amount of the contract as at 31 December 2024 was ﷲ 1.92 billion and the fair value was a positive amount of ﷲ 29 million as at 31 December 2024. The average contracted fixed interest rate ranges from 2% to 3.5%. A loss of ﷲ 47 million was recognized in other comprehensive income for the year ended 31 December 2024 as a result of fair value movements relating to this hedge. The fair value of interest rate swaps at the end of the reporting period was determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract.

23 EMPLOYEES' END OF SERVICE BENEFITS OBLIGATION

The Group provides end of service benefits to its employees. The entitlement is based upon the employees' final salary and length of service, subject to the completion of a minimum service year, calculated under the provisions of the Labor Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the year of employment.

The Group's plan is exposed to actuarial risks such as: discount rate and salary risk.

- **Discount risk:** A decrease in the discount rate will increase plan liability.
- **Salary risk:** The present value of the end of service benefit plan liability is calculated by reference to the estimated future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

	2025	2024
Opening balance	179,267	176,724
Effect of acquisition of new subsidiaries	1,163	-
Current service cost	17,832	24,451
Interest cost	9,536	9,093
Payments	(22,362)	(15,458)
Total actuarial gain	(37,810)	(15,543)
Closing balance	147,626	179,267

The most recent actuarial valuation was performed by Lux Actuaries & Consultants and was performed using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	2025	2024
Salary increases	2.00%	4.00%
Discount rate	5.75%	5.60%

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23 EMPLOYEES' END OF SERVICE BENEFITS OBLIGATION (CONTINUED)

All movements in the end of service benefits liability are recognized in consolidated statement of profit or loss and other comprehensive income except for the actuarial gain which is recognized in other comprehensive income.

	2025	2024
Base Scenario	147,626	179,267
Discount Rate: Increase by 1%	136,065	162,562
Discount Rate: Decrease by 1%	162,181	198,979
Salary Escalation Rate: Increase by 1%	162,587	199,102
Salary Escalation Rate: Decrease by 1%	135,539	162,174
Withdrawal Rate: Increase by 20%	153,197	179,999
Withdrawal Rate: Decrease by 20%	141,862	177,837
Mortality Rate: Increase by 20%	148,268	179,315
Mortality Rate: Decrease by 20%	148,009	179,219

Particulars	2025	2024
Change in Financial Assumption	33,747	11,295
Change in the Salary Escalation Rate Assumption	31,776	-
Change in the Discount Rate	1,971	11,295
Change in Demographic Assumption	-	-
Change in the Mortality Rate Assumption	-	-
Change in the Attrition Rate Assumption	-	-
Experience Adjustment	4,063	4,248
Total Actuarial gain	37,810	15,543
Average life of the plan	9.8 years	11.4 years
Other reserve		
Opening balance	14,072	(1,471)
Remeasurement	37,810	15,543
Closing balance	51,882	14,072

24 RETIREMENT BENEFIT CONTRIBUTIONS

The Group paid retirement contributions for its Saudi Arabian employees for the year ended 31 December 2025 to the General Organization for Social Insurance: ﷲ 28 million (2024: ﷲ 25 million).

25 SHARE CAPITAL

Authorized share capital of the Group comprises of 1.4 billion shares as at 31 December 2025 (2024: 1.4 billion) out of which 898,729,175 are subscribed shares (2024: 898,729,175) stated at ﷲ 10 per share owned.

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26 REVENUE

26-1 Disaggregated revenue information

The total revenue disaggregated by major service lines is:

	2025	2024
Usage charges	6,271,929	6,226,194
Subscription	2,212,458	1,977,486
Wholesale and infrastructure	520,257	564,683
Sale of goods	1,538,732	1,229,096
Income from Islamic financing*	435,315	367,671
Other revenue	4,573	331
	10,983,264	10,365,461

Revenue recognized during the year from the contract liabilities as at the beginning of the year amounts to ﷲ 1,471 million (2024: ﷲ 1,403 million).

* Expenses related to issuance of financing is amounted to ﷲ 9.69 million (2024: ﷲ 8.60 million).

26-2 Timing of revenue recognition

	2025	2024
PO satisfied over period of time – airtime and data	9,444,532	9,136,365
PO satisfied a point in time – trading income	1,538,732	1,229,096
	10,983,264	10,365,461

The group's revenue has been recognized from their operation within KSA except for the international roaming and interconnect which account 14.97% (2024: 15.54%).

No single customers contributed 10% or more to the Group's revenues.

27 COST OF REVENUE

	2025	2024
Access charges	2,123,192	1,973,956
Cost of devices	1,315,203	1,060,209
Government charges	648,960	582,919
Other	322,402	277,311
	4,409,757	3,894,395

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28 DISTRIBUTION AND MARKETING EXPENSES

	2025	2024
Repairs and maintenance	1,052,752	955,361
Employees' salaries and related charges	350,623	432,043
Advertising	142,424	168,175
Service rendered and branding fees (note 19-1)	170,000	170,000
License and subscription	4,119	15,141
Microwave frequency	122,108	121,685
Utilities	85,245	66,308
Leased lines	56,667	61,971
Rent expenses	13,241	7,206
Biometric expense	22,044	24,945
Consulting	3,929	3,151
Other	170,377	146,257
	2,193,529	2,172,243

29 GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Employees' salaries and related charges	300,072	300,794
Repairs and maintenance	107,239	165,161
Legal and professional	11,586	(6,019)
Rent expenses	313	436
License and subscription	14,641	10,532
Consulting (refer note 29.1)	35,891	20,696
Utilities	11,480	16,085
Other	47,950	39,718
	529,172	547,403

29-1 Auditor's remuneration

This includes remuneration to the auditors for following:

	2025	2024
Fees for annual audit of the Company	4,246	4,575
Fees for annual audit of subsidiaries	980	820
Other *	1,751	894
	6,977	6,289

* Other includes fees for NTR certification, special purpose financial statements, report on Article 71 and Article 134.

30 GAIN ON TOWER SALE TRANSACTION

	2025	2024
Gain on sale of assets to Golden Lattice Investment Company (GLI)	-	19,043
Gain on termination on leased sites sold to GLI	-	2,195
	-	21,238

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31 OTHER INCOME / (EXPENSE)

	2025	2024
Withholding tax refund	7,361	-
Foreign exchange (loss) / gain	(705)	60
Impairment of brand (refer note 14)	-	(7,500)
Loss on leases	(2,867)	(8,155)
Other gain	202	879
	3,991	(14,716)

32 FINANCE COST

	2025	2024
Finance cost on bank loans	463,861	393,199
Finance cost on Ministry of Finance loan	16,949	158,913
Finance cost on leases liability	107,002	89,077
Finance cost on CST's deferred payment	2,903	11,665
Finance cost on spectrum	85,198	65,482
Others	3,914	16,593
	679,827	734,929

33 PROVISION FOR ZAKAT

Components of zakat base

The significant components of the Group's approximate zakat base, for the year ended 31 December 2025, which are subject to certain adjustments under zakat and income tax regulations, principally comprise the following:

The principal elements of the Group's Zakat base for the year ended 31 December are as follows:

	2025	2024
Share capital	8,987,292	8,987,292
Retained earnings	1,831,135	1,676,969
Adjusted net profit for the year	603,873	631,728
Net book value of non-current assets	20,611,119	20,822,578

Components of adjusted net profit

	2025	2024
Profit for the year	603,873	596,369
Certain disallowed expenses	-	35,359
Adjusted net profit for the year	603,873	631,728

	2025	2024
Provision for zakat		
Balance at beginning of the year	71,513	144,232
Charge for the year	47,237	33,890
Reversed during the year	-	(75,777)
Payment	(29,886)	(30,832)
Balance at end of the year	88,864	71,513



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33 PROVISION FOR ZAKAT (CONTINUED)

Total zakat expense charge in consolidated statement of profit or loss and other comprehensive income.

	2025	2024
Zakat charge / (reversal) for the year	47,237	(41,887)

Status of assessments

The Group had finalized its zakat status up to 2008 and obtained the related certificate.

The Group, except for Tamam Finance Company, Green Shield and Tam2Go, had submitted its consolidated financial statements along with group zakat returns for the years from 2009 to 2024 and paid zakat according to the filed returns. From 2021 onwards, Tamam Finance Company is submitting, paying and obtaining zakat certificate form ZATCA separately, from 2021 till 2024 excluding Tamam Finance Company.

Zakat was assessed by ZATCA and agreed with no additional claim for the years ended 2012 and 2013. The Group received additional assessment of ﷲ 20.3 million for zakat for the years from 2014 to 2018 which the Group has appealed against these additional claims to the relevant committees. The Group believes this will not result in any material additional provisions. Zakat was assessed by ZATCA and agreed with no additional claim for the years ended 2012 and 2013. The Group has not received zakat assessment for years 2019 to 2024.

On 12 Ramadan 1445H (corresponding to 22 March 2024), the Zakat, Tax and Customs Authority (ZATCA) announced the issuance of a new Zakat Implementing Regulation, through the Ministerial Resolution (MR) No.1007 dated 19 Shaban 1445H (corresponding to 29 February 2024), which was electronically published in the Official Gazette on 11 Ramadan 1445H (corresponding to 21 March 2024). The new Zakat regulation is replacing the current regulation issued through MR No. 2216 dated 14 Rajab 1440H (corresponding to 14 March 2019). In the lights of new regulations, the Group has reassessed its' zakat provision and consequently has reversed additional provision charged in prior periods amounting to ﷲ 75.77 million during the year ended 31 December 2024.

Additionally, the Group has calculated zakat expense during the year ended 31 December 2025 which is in line with the new regulation which amounts to ﷲ 47.24 million.

There is no financial impact as the Group has sufficient provisions to cover these amounts.

34 EARNINGS PER SHARE

Profit attributable to ordinary shareholders

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Group as the numerator, i.e. no adjustments to profit were necessary in 2025 or 2024. Profit attributable to the shareholders use in calculating EPS is ﷲ 604 million for the year 2025 (2024: ﷲ 596 million).

Weighted average number of ordinary shares

The weighted average number of shares in the calculation of basic earnings per share is as follows:

	2025	2024
Outstanding during the year	898,729	898,729
Basic earnings per share (ﷲ)	0.67	0.66

Basic earnings per share is calculated by dividing the profit after zakat attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. There is no dilutive effect on the earnings per share of the Group.

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35 FINANCIAL INSTRUMENTS

The Group's use of financial instruments exposes it to a variety of financial risks. The Group continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework and developing and monitoring the risk management policies in close co-operation with the Group's operating units. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. The Group through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group's Board Committee oversees how management monitors compliance with the risk management policies and procedures and reviews adequacy of the risk management framework in relation to the risks faced by the Group. The Board Committee is assisted in its oversight role by the internal audit and the Group risk management department.

The Group is exposed through its operations to the following financial risks:

- Market risk
- Foreign exchange risk
- Credit risk
- Interest rate risk, and;
- Liquidity risk.

These risks are discussed below:

Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Group is exposed to foreign currency risk and interest rate risk only. The Group uses derivatives to manage market risk.

Foreign currency risk management

The Group deals with certain vendors in foreign currency transactions, including United States Dollars, Euro, Pound Sterling etc. and the risk pertains to fluctuation of exchange rate which may expose the Group to pay more in functional currency in comparison to the time of recording transaction.

ﷲ is considered as the functional currency of the Group which is pegged against the United States Dollar. Therefore, the Group is only exposed to exchange rate fluctuations from transactions denominated in foreign currencies other than United States Dollar.

The Group undertakes transactions denominated in foreign currencies which float against the ﷲ and consequently, exposures to exchange rate fluctuations arise. These amounts are not hedged as the exposures are not considered to be material to the Group.

The carrying amounts of the Group's foreign currency denominated monetary liabilities at the end of the reporting year were as follows:

Foreign currency risk management

Details	Year	Foreign currency	Foreign currency amount	Exchange rate	Amount in ﷲ
Trade and other payables	2025	Euro	3,744	4.17	15,611
Trade and other payables	2024	Euro	3,197	4.13	13,211



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35 FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting year were as follows:

2025 Details	Foreign currency	Foreign currency amount	Exchange rate	Amount in ﷲ
Cash and cash equivalents	Euro	511	4.40	2,248
Cash and cash equivalents	GBP	56	5.04	281
				2,529

2024 Details	Foreign currency	Foreign currency amount	Exchange rate	Amount in ﷲ
Cash and cash equivalents	Euro	58	4.02	235
Cash and cash equivalents	GBP	64	4.82	308
				543

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of Europe (Euro) and the Pound Sterling (GBP).

The following table details the sensitivity to a 5% increase and decrease in the ﷲ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the yearend for a 5% change in foreign currency rates. A positive number below indicates a decrease in profit where the ﷲ strengthens 5% against the relevant currency. For a 5% weakening of the ﷲ against the relevant currency, there would be a comparable impact on profit and the balances below would be negative.

2025 Currency	Impact on profit
Euro	112
GBP	14

2024 Currency	Impact on profit
Euro	12
GBP	15

Interest and liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. There has been no change to this strategy from the previous year.

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. The risk is managed by the Group by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for all unhedged instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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35 FINANCIAL INSTRUMENTS (CONTINUED)

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended 31 December 2025 would decrease or increase by ﷲ 2.41 million (2024: ﷲ 2.14 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Potential concentrations of credit risk consist principally of trade receivables, amounts due from a related party and short-term cash investments. Details of how credit risk relating to trade receivables is managed is disclosed in note 7. The amounts due from a related party are monitored and provision is made, where necessary, for any irrecoverable amounts. Short-term cash investments are only placed with banks with a high credit ratings ranging A2 and above or its debt instruments.

Significant increase in credit risk

Trade receivables generally exposed to significant credit risk, therefore, the Company has established a number of procedures to manage credit risk exposure including limiting transactions with specific counter-parties, evaluation of the customers' credit worthiness, formal credit approvals. The Company follows a credit classification mechanism, primarily driven by the day's delinquency as a tool to manage the quality of credit risk of trade receivables. When determining whether the risk of default has increased significantly since initial recognition, the Group is using simplified approach which requires use of lifetime expected loss provision.

For amounts due from banks, the Group uses the low credit risk exemption as permitted by IFRS 9 based on the external rating agency credit grades. If the financial instrument is rated below BBB- (sub investment grade) on the reporting date, the Group considers it as significant increase in credit risk.

Financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

Credit impaired assets

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, there is sufficient doubt about the ultimate collectability.

Incorporation of forward looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Group has performed historical analysis and identified Gross Domestic Product (GDP) of each geography in which they operate as the key economic variables impacting credit risk and ECL for each portfolio. Relevant macro-economic adjustments are applied to capture variations from economic scenarios. These reflect reasonable and supportable forecasts of future macro-economic conditions that are not captured within the base ECL calculations. Incorporating forward-looking information increases the degree of judgement required as to how changes in GDP will affect ECLs. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.



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35 FINANCIAL INSTRUMENTS (CONTINUED)

Expected credit loss (ECL) measurement

The following table contains an analysis of the maximum credit risk exposure of financial instruments for which an ECL allowance is recognized:

	2025				
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	12-months	Lifetime	Lifetime	Lifetime	
Customers	-	-	-	4,195,754	4,195,754
Distributors	-	-	-	154,025	154,025
Islamic financing receivables	634,749	279,136	95,880	-	1,009,765
Contract assets	-	-	-	417,355	417,355
Less: ECL	(6,981)	(8,986)	(42,463)	(1,307,214)	(1,365,644)
	627,768	270,150	53,417	3,459,920	4,411,255
Roaming partners	-	-	-	233,035	233,035
Other operators (interconnect)	-	-	-	509,905	509,905
Less: ECL	-	-	-	(5,399)	(5,399)
	-	-	-	737,541	737,541
Other receivables	-	-	-	10,513	10,513
Less: ECL	-	-	-	-	-
	-	-	-	10,513	10,513
Total net receivable and contract assets	627,768	270,150	53,417	4,207,974	5,159,309

	2024				
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	12-months	Lifetime	Lifetime	Lifetime	
Customers	-	-	-	3,252,906	3,252,906
Distributors	-	-	-	178,217	178,217
Islamic financing receivables	563,351	254,983	115,376	-	933,710
Contract assets	-	-	-	394,252	394,252
Less: ECL	(6,981)	(8,986)	(42,463)	(1,032,156)	(1,090,586)
	556,370	245,997	72,913	2,793,219	3,668,499
Roaming partners	-	-	-	140,860	140,860
Other operators (interconnect)	-	-	-	507,881	507,881
Less: ECL	-	-	-	(5,008)	(5,008)
	-	-	-	643,733	643,733
Other receivables	-	-	-	4,488	4,488
Less: ECL	-	-	-	-	-
	-	-	-	4,488	4,488
Total net receivable and contract assets	556,370	245,997	72,913	3,441,440	4,316,720

ECL allowance of receivables and other assets are assessed as follows:

	2025	2024
Collectively assessed	1,365,644	1,090,586
Individually assessed	5,399	5,008
	1,371,043	1,095,594

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35 FINANCIAL INSTRUMENTS (CONTINUED)

The following table shows the movement in the loss allowance that has been recognized for trade receivables and other assets:

	Collectively assessed	Individually assessed	Total
1 January 2025	1,090,586	5008	1,095,594
Effect of acquisition of new subsidiaries	50	-	50
Net increase in loss allowance	449,449	391	449,840
Amount written off during the year	(174,441)	-	(174,441)
31 December 2025	1,365,644	5,399	1,371,043

For expected credit losses assessed collectively on trade receivables, the Group uses a provision matrix based on the historic default rates observed and adjusted for forward looking factors to measure ECL as given below.

Aging brackets of postpaid trade receivables	2025			2024		
	Estimated total gross carrying amount at default	Expected credit loss rate %	Lifetime ECL	Estimated total gross carrying amount at default	Expected credit loss rate %	Lifetime ECL
Not due / < 30 days	1,836,859	0.42%	7,751	1,571,275	0.11%	1,760
31 - 60 days	291,962	1.68%	4,917	296,856	2.51%	7,456
61 - 90 days	284,325	1.45%	4,124	229,834	4.25%	9,777
91 - 180 days	483,567	4.25%	20,556	390,023	4.86%	18,954
> 181 days	629,426	9.24%	58,132	573,019	9.27%	53,106
> 361 days	2,250,760	56.43%	1,270,164	1,698,078	58.86%	999,533
	5,776,899		1,365,644	4,759,085		1,090,586

Credit quality of roaming, interconnect and other balances:

	2025	2024
Credit quality - performing	748,637	648,521
Impaired	4,816	4,708
ECL	(5,399)	(5,008)
	748,054	648,221

Offsetting of financial assets and financial liabilities

The Group has various netting agreements in place with counterparties. These netting agreements generally enable the counterparties to set-off liabilities against available assets received in the ordinary course of business and/or in the event of the counterparty's default. The offsetting right is a legal right to settle, or otherwise eliminate, all or a portion of an amount due by applying an amount receivable from the same counterparty against it. However, the offsetting criteria under IAS 32 are not met in all cases.

The following table summarize the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements:

Financial assets and Financial liabilities subject to offsetting, netting arrangements

31 December 2025	Gross amounts	Amounts set off	Net amounts
Trade receivables and other assets	829,295	(349,554)	479,741
Trade and other payable	(362,067)	349,554	(12,513)



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35 FINANCIAL INSTRUMENTS (CONTINUED)

31 December 2024	Gross amounts	Amounts set off	Net amounts
Trade receivables and other assets	859,347	(358,410)	500,937
Trade and other payable	(373,956)	358,410	(15,546)

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group has accumulated deficit as of that date. These conditions indicate that the Group's ability to meet its obligations as they become due and to continue as a going concern are dependent upon the Group's ability to arrange adequate funds in a timely manner. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are made available to meet any future commitments. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity and/or undrawn committed credit facilities at all times to meet its obligations. As 31 December 2025 the Group have the undrawn working capital facility of ﷲ 780 million. The directors have a reasonable expectation that the Group has adequate resources along with the undrawn credit facilities to continue in operational existence for the foreseeable future. The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Less than one year	1 to 2 years	2 to 5 years	More than 5 years	Total contractual cash flows	Carrying amount
At 31 December 2025						
Borrowings	726,372	875,800	8,660,069	497,155	10,759,396	8,562,484
Trade and notes payable	2,926,167	-	-	-	2,926,167	2,926,167
Due to related parties	230,880	-	-	-	230,880	230,880
Lease liabilities	381,727	353,342	755,682	810,498	2,301,249	1,813,484
Spectrum payable	236,698	236,698	591,898	782,400	1,847,694	1,412,153
	4,501,844	1,465,840	10,007,649	2,090,053	18,065,386	14,945,168

	Less than one year	1 to 2 years	2 to 5 years	More than 5 years	Total contractual cash flows	Carrying amount
At 31 December 2024						
Borrowings	6,359,353	859,646	1,428,059	254,582	8,901,640	8,198,760
Trade and notes payable	2,536,517	-	-	-	2,536,517	2,536,517
Due to related parties	483,454	-	-	-	483,454	483,454
Lease liabilities	289,222	241,339	556,134	891,780	1,978,475	1,488,996
Spectrum payable	188,698	188,698	506,996	528,000	1,412,392	1,120,105
	9,857,244	1,289,683	2,491,189	1,674,362	15,312,478	13,827,832

35.1 Fair value of financial instruments

Assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of fair value hierarchy. This Grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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35 FINANCIAL INSTRUMENTS (CONTINUED)

All the financial assets and liabilities of the Group are carried at amortized cost except for derivative financial instruments. Therefore, the fair value hierarchy disclosure which requires a three-level category of fair value is not disclosed.

35.2 Carrying amount vs fair value

The group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Cash and cash equivalents
- Trade receivables and other assets
- Trade and other payables
- Borrowings
- Non-current portion of spectrum payable

	Fair value measurement hierarchy	31 December 2025		31 December 2024	
		Carrying value	Fair value	Carrying value	Fair value
Derivative financial instruments (asset)	Level 2	-	-	28,504	28,504

35.3 Valuation techniques

These derivatives are valued using widely recognized valuation models. The Group relies on the counterparty for the valuation of these derivatives. The valuation techniques applied by the counterparties include the use of forward pricing standard models using present value calculations and mid-market valuations. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit spreads, foreign exchange rates, and forward and spot prices.

	2025	2024
Financial Assets		
Financial assets at amortized cost:		
Cash and cash equivalents	951,157	840,201
Contract assets	416,679	393,941
Trade receivables and other assets	4,742,630	3,922,779
Total financial assets at amortized cost	6,110,466	5,156,921
Financial assets at fair value:		
Derivative financial instruments	-	28,504
Total financial assets at fair value	-	28,504
Total financial assets	6,110,466	5,185,425
FINANCIAL LIABILITIES		
Financial liabilities at amortized cost:		
Trade payables and notes payable	2,926,167	2,536,517
Amount due to related parties	230,880	483,454
Spectrum payable	1,412,153	1,120,105
Lease liabilities	1,813,484	1,488,996
Borrowings	8,562,484	8,198,760
Total Financial liabilities at amortized cost:	14,945,168	13,827,832
Total financial liabilities	14,945,168	13,827,832



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36 RELATED PARTY INFORMATION

During the year, the Group transacted with following related parties

Party	Relationship
Oman Telecommunications Company SAOG	Parent Company of Mobile Telecommunications Company K.S.C.P (ultimate parent)
Mobile Telecommunications Company K.S.C.P (Zain Group)	Founding shareholder / Parent Group
Zain Bahrain B.S.C ("MTCB")	Entity under common control
Sudanese Mobile Telephone (Zain) Company Limited ("Zain Sudan")	Entity under common control
Mobile Telecommunications Company Lebanon ("MTCL")	Entity under common control
Zain Iraq/Atheer Telecom Iraq Limited 'Atheer'	Entity under common control
Zain Global Communications Co. SPC	Entity under common control
Zain Omantel International – ZOI	Entity under common control
Zain Tech Solutions FZ- LLC	Entity under common control
FOO (Holding) SAL	Entity under common control
Digital Application Trading Company L.L.C	Associate
Integrated Data Company for Information Technology L.L.C	Joint venture

During the year, the Group entered into the following trading transactions having normal business terms, with related parties:

	2025	2024
Revenue from entities owned by a founding shareholder	58,241	42,507
Purchases from entities owned by a founding shareholder	(122,621)	(90,342)
Revenue from other related party*	-	7,232
Fees charged by a founding shareholder (note 28)	(170,000)	(170,000)

* the related party relationship has been extinguished during the year ended 31 December 2025.

The following balances were outstanding at the reporting date:

	2025	2024
Amounts due to a founding shareholder	230,409	473,472
Amounts due to entities under common control	471	9,982
Amounts due from other related parties	14,385	20,448

Other amounts due to related parties are disclosed in note 19.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received by related parties other than those disclosed in note 19. No amounts have been expensed in the current year for expected credit loss in respect of amounts owed by related parties.

Compensations and benefits to key management personal comprising remunerations to Board of Directors and other senior management members

	2025	2024
Short-term benefits	33,634	47,605
Long-term benefits	1,585	3,426
	35,219	51,031

Short term benefits include remuneration for the Board amounting to ﷲ 5 million (2024: ﷲ 3.3 million).

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37 CAPITAL COMMITMENTS

The Group had capital commitments totaling ﷲ 1.85 billion (2024: ﷲ 2.46 billion).

Capital management

The Group manages its capital to ensure it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from the previous year. The capital structure of the Group consists of debt and equity comprising share capital, the hedging reserve, the accumulated deficit, long-term borrowings and amounts due to related parties.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including lease liabilities less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt.

The Group's Net debt to equity ratio at the end of the year is as follows:

	2025	2024
Net debt	9,424,811	8,847,555
Total equity and debt	20,300,762	19,554,392
Net debt to equity ratio	46%	45%

38 GOVERNMENT GRANTS

	2025	2024
Opening balance	82,090	52,257
Amount received during the year	555,607	82,090
Charged to statement of profit or loss and other comprehensive income	-	(52,257)
Capitalized during the year	(309,378)	-
Closing balance	328,319	82,090

39 CONTINGENT LIABILITIES

The Group had the below contingent liabilities in the form of letters of guarantee and letters of credit:

	2025	2024
Letter of Guarantee	46,078	55,358
Letter of Credit	196,250	218,750
	242,328	274,108

The Group in the normal course of business is subject to and also pursuing lawsuits, proceedings, penalties and fines imposed by the regulator, municipalities and other claims from suppliers and telecommunication providers. The Group, after having consulted with its internal and external legal counsel and technical advisors, believes that these matters are not expected to have a significant impact on the financial position or the results of operations of the Group.

The CST's violation committee has issued several penalty resolutions against the Group, which the Group has objected to. The reasons of issuing these resolutions vary between linking ID for the issued prepaid SIM Cards and providing promotions that have not been approved by CST and/or other reasons. As of 31 December 2025, the amount of lawsuits and violations amounts to ﷲ 4.2 million which has been provided for in full (2024: ﷲ 5.3 million).



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39 CONTINGENT LIABILITIES (CONTINUED)

WITH HOLDING TAX (WHT)

On 7 July 2015 (18 Ramadan 1436H), The Group received withholding tax assessments from Zakat, Tax and Customs Authority (ZATCA) for the years from 2009 to 2011 whereby ZATCA asked to pay an additional amount of ﷲ 267 million as withholding tax subject to delays penalty payable from the due date up to the settlement date equals to 1% for every 30 days. The Group appealed this claim on 27 August 2015 which resulted in the reduction of withholding tax claim by ﷲ 219 million to ﷲ 48 million, subject to delays penalty.

To appeal before the High Appeal Committee (HAC), the Group completed the required conditions in the Articles of the Saudi Tax Law, by paying the invoices issued by ZATCA amounting ﷲ 48 million on 16 November 2017 related to Withholding Tax (WHT) and issued a bank guarantee for the amount of ﷲ 43 million related to the penalty generated from the delay in paying the WHT.

On 3 June 2021, the HAC issued its decision on the final claim which was reduced to ﷲ 8.4 million. The Group has appealed against this decision to the Appeal Committee for Tax Violations and Disputes and the case is pending as at 31 December 2025.

The Group received additional assessment with an amount of ﷲ 100 million for certain withholding tax items for the years from 2015 to 2021. The Group has appealed those assessments against the relevant committees. The Group believes that the outcome of those appeals will be in the Group's favor with no material financial impact on the Group's consolidated financial statements.

The Group was also subjected to WHT, for the years from 2012 to 2021, on International Interconnect traffic from ZATCA for payments made to International Operators. For any assessments received from ZATCA, the Group has rejected these claims and appealed at various judiciary bodies against these assessments. In the process of appealing against these claims, the Group had paid an amount of ﷲ 8.37 million and created a provision of ﷲ 148.18 million.

During 2022, the government decree number 484 on November 2022 clarified that there will be no WHT on International traffic prospectively. Considering the decree aligned the position of tax prospectively from 2022, the previous years were continued to be assessed by ZATCA and the Group continued to dispute and appeal against these assessments.

During the year 2024, the Group received communication from ZATCA that the dues for WHT on International traffic will be borne by the Government. Accordingly, the Group has reversed a provision of ﷲ 148.18 million. The amount paid of ﷲ 8.37 million will be settled by the Group with dues payable to ZATCA for other ongoing assessments.

40 SEGMENT REPORTING

Information regarding the Group's operating segments is set out below in accordance with IFRS (8) "Operating Segments". IFRS (8) requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") and used to allocate resources to the segments and to assess their performance based on profit after tax.

The Group is engaged mainly in providing telecommunication services and related products. Majority of the Group's revenues, income and assets relate to its operations within the Kingdom. Revenue is distributed to an operating segment based on the entity of the Group reporting the revenue. Sales between segments are calculated at normal business transaction prices.

Below are examples of revenues included in each sector:

Consumer Revenue:

The consumer revenue segment includes products and services such as voice calls, mobile internet, fixed internet, VAS, sale of devices & SIM and related roaming revenues. Financial services from Tamam Finance Company are also included in this stream.

Business Revenue:

The business revenue segment includes services such as voice calls, mobile internet, fixed internet, fixed connectivity and customized solutions including cloud and data center services, related roaming revenues.

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40 SEGMENT REPORTING (CONTINUED)

Wholesale revenue:

The wholesale segment includes products sold in bulk quantity and services such as FTTH revenue, site sharing revenue, transition, MVNO and roaming services between operator.

The following is an analysis of the Group's revenues and results based on a segmental basis:

Revenues	For the year 31 December 2025			
	Zain KSA	Tamam	Others	Total
Consumer revenue	6,471,666	435,315	4,574	6,911,555
Business revenue	1,804,454	-	-	1,804,454
Wholesale revenue	3,129,827	-	-	3,129,827
Eliminations / adjustments	(862,572)	-	-	(862,572)
Total revenues	10,543,375	435,315	4,574	10,983,264
Cost of operations	(7,798,324)	(184,437)	(5,652)	(7,988,413)
Depreciation and amortization	(2,153,794)	(6,577)	(290)	(2,160,661)
Expected credit loss (ECL)	(234,713)	(142,641)	-	(377,354)
Finance income	14,746	-	10	14,756
Other expense	3,963	(1)	29	3,991
Share of loss of associate	(601)	-	-	(601)
Finance cost	(668,612)	(11,211)	(4)	(679,827)
Zakat	(37,908)	(9,326)	(3)	(47,237)
Elimination	855,955	-	-	855,955
Profit for the year	524,087	81,122	(1,336)	603,873

Revenues	For the year 31 December 2024			
	Zain KSA	Tamam	Others	Total
Consumer revenue	6,146,068	367,671	-	6,513,739
Business revenue	1,762,242	-	332	1,762,574
Wholesale revenue	2,969,732	-	-	2,969,732
Eliminations / adjustments	(880,584)	-	-	(880,584)
Total revenues	9,997,458	367,671	332	10,365,461
Cost of operations	(7,341,067)	(148,224)	(1,851)	(7,491,142)
Depreciation and amortization	(2,117,018)	(6,392)	(311)	(2,123,721)
Expected credit loss (ECL)	(335,669)	(92,924)	-	(428,593)
Finance income	32,292	-	-	32,292
Gain on tower sale transaction	21,238	-	-	21,238
Government grant income	52,257	-	-	52,257
Other expense	(14,369)	(347)	-	(14,716)
Share of loss of associate	(766)	-	-	(766)
Finance cost	(731,245)	(3,684)	-	(734,929)
Zakat	52,785	(10,898)	-	41,887
Elimination	877,101	-	-	877,101
Profit for the year	492,997	105,202	(1,830)	596,369



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40 SEGMENT REPORTING (CONTINUED)

The following is an analysis of the Group's assets and liabilities based on a segmental basis:

Assets	2025	2024
Mobile Telecommunications Company	57,603,795	54,625,908
Tamam Finance Company	1,030,079	904,255
Others	40,409	4,462
Eliminations / adjustments	(29,920,980)	(27,399,164)
Total assets	28,753,303	28,135,461
Liabilities		
Mobile Telecommunications Company	46,972,936	44,085,309
Tamam Finance Company	440,844	396,487
Others	38,382	10,974
Eliminations / adjustments	(29,574,810)	(27,064,146)
Total liabilities	17,877,352	17,428,624

41 ACQUISITION OF SUBSIDIARIES

The tables below shows details of non-wholly owned subsidiaries of the Group that has material non-controlling interests as at:

Percentage of holding in non-wholly owned subsidiaries of the Group:

	2025	2024
Tam International Logistics Company*	40%	0%
Green Shield Insurance Brokerage Company Limited	60%	0%

* Control is established through majority representation on the Board of Directors.

Computation of goodwill at the date of acquisition:	Tam2Go	Green Shield
Consideration paid	25,000	5,400
Total net assets	6,830	3,004
Net assets acquired	2,732	1,803
Goodwill	22,268	3,597
Non-controlling interest	4,098	1,202

Financial summary of the subsidiaries taken from the financial statements at the date of acquisition:	Tam2Go	Green Shield
Non-current assets	531	144
Current assets	20,942	8,476
Non-current liabilities	1,006	-
Current liabilities	13,637	5,616
Equity	6,830	3,004
Cash and cash equivalent	8,723	195

Non-controlling interest as at the reporting period:

2025	NCI at acquisition	Profit for the year	NCI at reporting period
Tam2Go	4,098	150	4,248
Green Shield	1,202	192	1,394
	5,300	342	5,642

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42 SUBSEQUENT EVENTS

On 22 Shaban 1447H corresponding to 10 February 2026, the Board of Directors' recommendation to distribute cash dividends of ﷲ 0.5 per share to shareholders for the fiscal year 2025, the distribution date is yet to be determined after approval of General Assembly.

In the opinion of the management, here have been no other significant subsequent events since the year-end that require disclosure or adjustment in these consolidated financial statements.

43 RECLASSIFICATION OF PRIOR YEAR PRESENTATION

During the year ended 31 December 2025, the Group has reclassified or rearranged certain corresponding figures, where necessary, for the purpose of better presentation. No significant reclassifications or rearrangements, other than those disclosed below, were made in these consolidated financial statements during the current year. These reclassifications have no impact on previously reported net income, retained earnings or cash positions:

Consolidated statement of profit or loss as at 31 December 2024	Previously reported	Amount of Reclassification	Reclassified amount
Distribution and marketing expenses	2,221,398	(49,155)	2,172,243
General and administrative expenses	498,248	49,155	547,403
Total reclassification	2,719,646	-	2,719,646

44 STATUTORY RESERVE

On 24 Dhul Hijjah 1445H corresponding to 30 June 2024, the Group's General Assembly approved amending the Group's by-laws to comply with the New Companies' Law issued on 29 Jumada Al-Akhirah 1444H (corresponding to 19 January 2023), based on the recommendation of the Board of Directors. The Company's General Assembly, in its meeting held on 24 Dhul Hijjah 1445H corresponding to 30 June 2024, agreed to transfer the balance of the statutory reserve amounting to ﷲ 203 million as in the consolidated financial statements for the year ended 31 December 2023 to the retained earnings balance.

45 APPROVED CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors on 22 Shaban 1447H (corresponding to 10 February 2026).

The image is a futuristic cityscape at sunset or sunrise, with a warm orange and yellow sky. In the foreground, a multi-level highway interchange is visible, with light trails from cars. Two drones are flying in the sky, emitting bright green laser beams that crisscross the scene and connect to various points in the city. The background features a dense skyline of modern skyscrapers. The overall aesthetic is high-tech and digital.

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