



INVESTOR PRESENTATION

Zain Group FY 2022 Results

14 March 2023

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For further information about Zain Group, or the materials contained within this presentation, please direct your enquiries to our Investor Relations team via email at IR@zain.com or visit www.zain.com/en/investor-relations/



EXECUTIVE MANAGEMENT



Bader Nasser Al-Kharafi
Vice Chairman & Group CEO



Ossama Matta
Chief Financial Officer



Nawaf Al-Gharabally
Chief Technology Officer



Kamil Hilali
Chief Strategy Officer



Nawal Bourisli
Chief Human Resources Officer



Jennifer Suleiman
Chief Sustainability Officer



Maryam Saif
Chief Diversity and Inclusion Officer



Mohammad Abdal
Chief Communications Officer



Malek Hammoud
Chief Investments and
Digital Transformation Officer



Dr. Andrew Arowojolu
Chief Regulatory Officer



Firas Oggar
Head of Legal



Venkatesh Jandhyala
Chief Internal Auditor



Abdul Ghaffar Setareh
Chief Risk Officer



OUR GROUP AT A GLANCE **FY 2022**

CUSTOMERS



52.4
MILLION

+7% YoY

REVENUE



\$5.6
BILLION

KD1.7 b
+14% YoY

EBITDA



\$2.2
BILLION

KD 673 m
+7% YoY

+39%
EBITDA
MARGIN

NET INCOME



\$640
MILLION

KD196 m
+6% YoY

EPS



15
CENTS

45 FILS
+5% YoY

KEY EVENTS

Board recommends cash dividends 25 fils for H2 2022

This dividend follows the semi-annual dividend of 10 fils distributed earlier in 2022, totaling 35 fils per share for the year.

TowerCo Update

- **Zain KSA:** Sale of tower assets to Saudi's PIF for **\$807m** in Jan 2023
- **Zain Iraq:** Completion of the transaction in Jan 2023 with a value of **\$180m**

Fintech... Excellent revenue & customer growth

- Revenue grew by 241% and customer base jumped by 64%
- **Kuwait:** Results of digital Banking application will be announced in 2023
- **Bahrain:** Awarded a Fintech license by CBB in October 2022 and expect to launch services in 2023

Regulatory Update

- **Kuwait:** Number Range Fees court case remained in favor of Zain, the appeal against the original verdict from the first court has been rejected and decision has been upheld
- **Iraq:** Favorable court verdict against Tax assessment case
- **Jordan:** Settlement agreement with TRC
- **Sudan:** MTR increased from SDG 0.075 to SDG 3, starting November 2022

Digital services including Dizlee (API) witnessed excellent growth

Digital revenue grew 52% YoY, Dizlee continues its trajectory growth, offering 51 digital innovations and processing over 191 million API transactions since launch in 2018

B2B : Mobility, Business Solutions & Fixed Services

B2B continues to deliver growth, revenue up 28% YoY

Approval for cable landing station in Sudan

Zain secured the final approvals for launching its landing station, this landing station will land the Africa1 submarine cable which will contribute positively to both revenue increase and cost reduction.



ACCOMPLISHMENTS



'Best Telecom Brand' In The Middle East



Zain KSA gets

- Best Csr Initiative
- Best Standalone 5g Network
- Best Cloud Provider
- CTO Global Merit Award

Best Corporate Governance Award



Zain Tech : 'Best Ict Investment' For Bios

Zain Tech awarded Best Digital Transformation Company



'Shlonik' wins 'best government project' award in Kuwait



Best Telco Operator Award

Brand Finance®
2nd MOST VALUABLE BRANDS OF KUWAIT

Forbes
TOP 10 REGIONAL BEST EMPLOYER

4Sight Strategy

GROWTH VERTICALS

INFORMATION AND COMMUNICATION TECHNOLOGY

Establishing a regional center of excellence developing and providing the latest infrastructure, managed services and digital solutions.



DIGITAL INFRASTRUCTURE

Building a leading independent digital infrastructure player in the region.



FINTECH

Introducing a suite of digital financial and insurance services contributing to the evolution of the region's digital ecosystem.



DIGITAL SERVICES

Building innovative digital services to create opportunities that bridge the digital divide, ensure business continuity, and advance socioeconomic development.



EVOLUTION OF TELCO

DIGITAL TRANSFORMATION

Transforming the telecom core to provide customers with the best experience, while simultaneously streamlining the backend and reaping the best of analytics for Zain to thrive and even lead in the digital era.



ENTERPRISE & GOVERNMENT

Working closely with organizations of all sizes to provide them with the necessary connectivity and the latest solutions required to achieve their business and operational objectives.



FIXED AND CONVERGENCE

Transforming from a mobile centric telecom into an integrated player offering fixed-mobile domestic and international convergence serving the needs of consumers and businesses.



PORTFOLIO OPTIMIZATION

Continue realize synergies and unlock potential value through M&A activities.





THE REGIONAL DIGITAL & ICT SOLUTIONS POWERHOUSE UNIFYING ZAIN GROUP'S ICT ASSETS TO OFFER A UNIQUE VALUE PROPOSITION OF COMPREHENSIVE DIGITAL SOLUTIONS AND SERVICES ACROSS MULTIPLE ICT VERTICALS, ALL UNDER ONE ROOF

REGIONAL BIGGEST
FOOTPRINT

Bahrain . Iraq . Jordan . Kuwait . Oman



.Saudi Arabia . Sudan . South Sudan . UAE



LINES OF BUSINESS

CLOUD, CYBERSECURITY, BIG DATA, IOT, AI, SMART CITIES, DRONES, AND EMERGING TECHNOLOGIES.

STRATEGIC PARTNERSHIPS



ACQUISITIONS



ZAIN TECH AGREES TO ACQUIRE
MANAGED CLOUD PROVIDER
"BIOS MIDDLE EAST"

ZAIN VENTURES

- Established in 2021 as the Corporate Venture Capital arm of Zain seeking opportunities in the VC/startup ecosystem.
- Invested in regional and international VC funds as well as direct strategic investments, creating synergies and leveraging on Zain's geographical reach and customers.

INVESTMENT IN FUNDS



DIRECT INVESTMENTS



INVESTED
\$18.3m

EXISTING
VALUATION
1.8x



ZAIN HAS EVOLVED AS AN ACTIVE PLAYER WITH A FOCUS ON STRATEGIC INVESTMENTS

ZAIN FINTECH



KSA



- Licensed by Saudi Central Bank (SAMA), Tamam is the first micro-financing license in region .
- Launched Murabaha Financing in Q2 2022



IQ



- Zain Cash Iraq is a mobile wallet licensed by Central Bank of Iraq to offer innovative financial services
- Secured License to offer Credit Cards Services in 2023



JO



- Zain Cash is the largest mobile financial services provider
- Launch of credit card services as well as remittance services in collaboration with Western Union



BH



- Awarded a Fintech license by CBB in October 2022 and expect to launch services in 2023



SD



- Fintech License was awarded in May 2022, Go to market strategy currently being implemented



KW



- Results of the Digital Banking application submitted to the Central Bank of Kuwait and expect the result to be announced soon

CUSTOMERS

995k

+64%
YoY

REVENUE

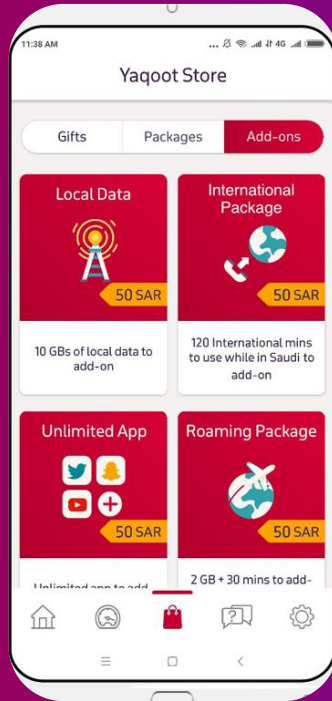
\$49.7m

+241%
YoY

DIGITAL OPERATORS

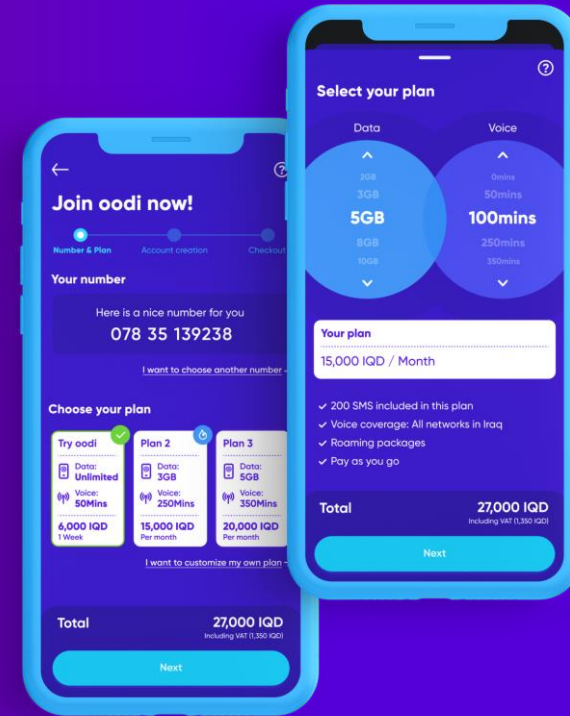
ياقوت
Yaqoot
بواسطة زين

KSA



Yaqoot gives you the chance to connect with the people around you...

So we brought you packages that focus on data & unlimited apps. We're also giving you gifts to regift others every month! That's not all, we have a Yaqoot Store where you can gift those around you... from one mobile to another. Gifts like vouchers, greetings cards, data & minutes!



oodi
IRAQ

oodi is a new mobile service that's easy to get and easy to use.

At oodi we'd like to give the choice back to you. Forget about standing in line in a store to change a thing, check your monthly bill or get help. You can do it all in the oodi app.

TOWER DEALS

17K Towers sold for a value of \$1.2 billion

UPCOMING
DEALS



ZAIN
BAHRAIN



ZAIN
SUDAN



ZAIN
S. SUDAN

COMPLETED



ZAIN
IRAQ

Zain Iraq's agreement to sell and leaseback tower portfolio to TASC Towers



4,604
TOWERS

\$180
MILLION



ZAIN
KSA

Zain KSA completed sale of tower assets to Saudi's PIF for \$807m in Jan 2023



8,069
TOWERS

\$807
MILLION



ZAIN
JORDAN

Zain Jordan's agreement to sell and leaseback tower portfolio to TASC Towers



2,607
TOWERS

\$89
MILLION



ZAIN
KUWAIT

Zain Kuwait completed the sale and leaseback of mobile tower portfolio to IHS Holding Limited



1,620
TOWERS

\$130
MILLION



ZAIN KUWAIT NUMBER RANGES CASE

KD 24.7m

FIRST DEGREE



- Zain Accepted Experts' Report in April 2022
- First-Degree Verdict favorable verdict issued in June 2022

APPEAL



WE ARE HERE

On 20th Feb 2023, the appellate court rejected the appeal by MOC & CITRA and affirmed the verdict by the court of first instance. The verdict is in favor of Zain

CASSATION



Case booking : Appeal to the supreme court with case booking
Final Verdict : Appeal to the supreme court with case booking

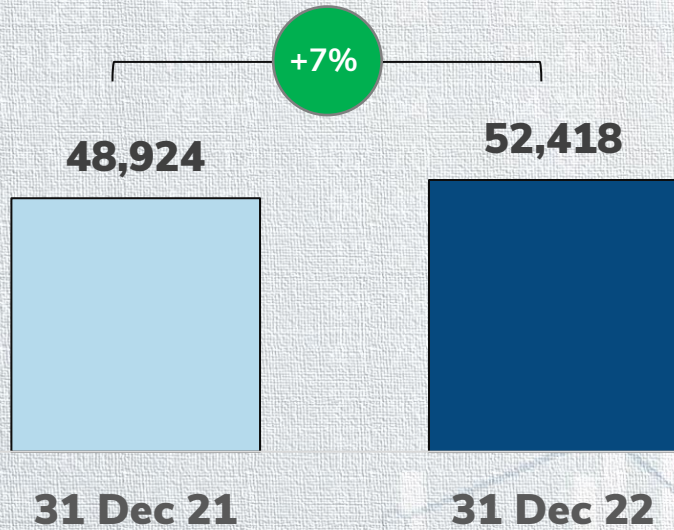


GROUP FINANCIAL REVIEW

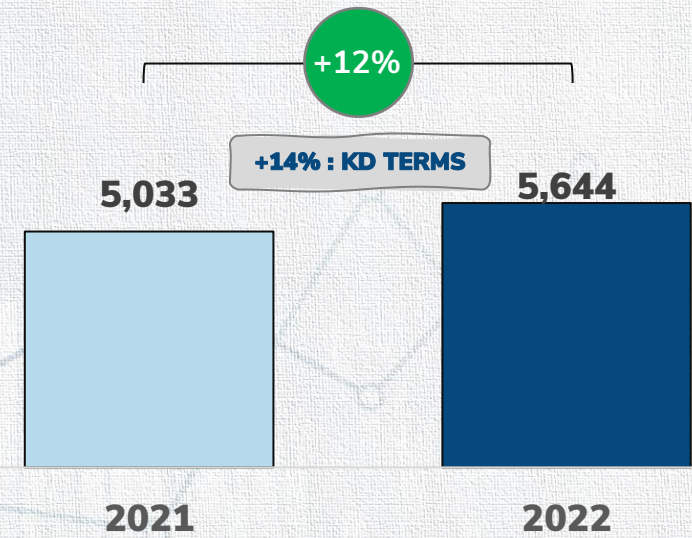


GROUP KPIS

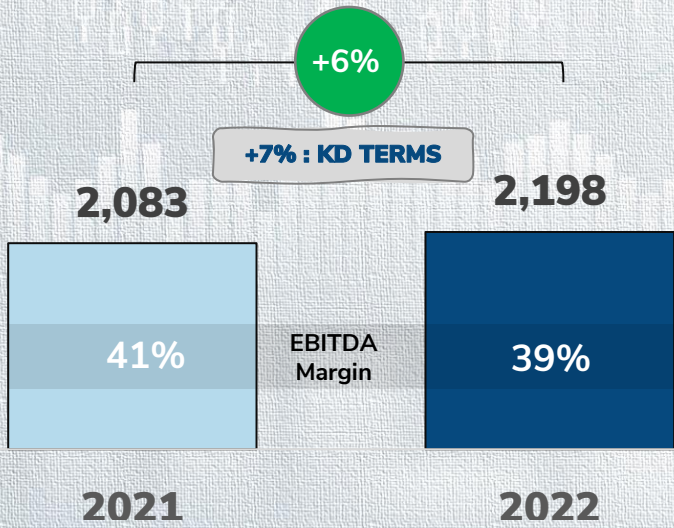
CUSTOMERS ('000)



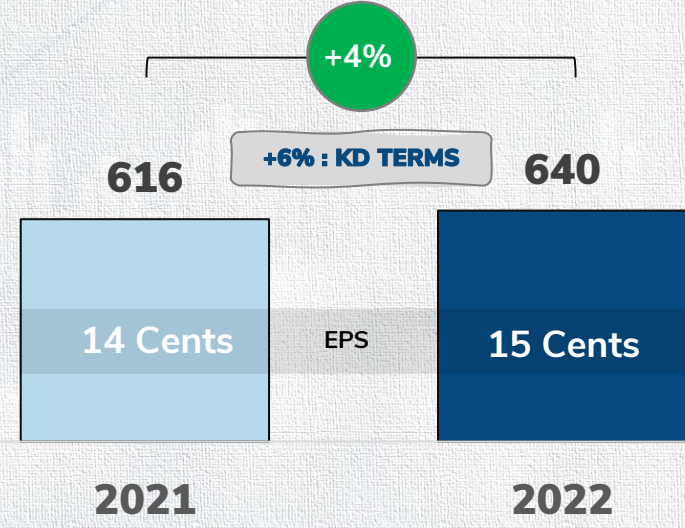
REVENUE (\$ m)



EBITDA (\$ m)

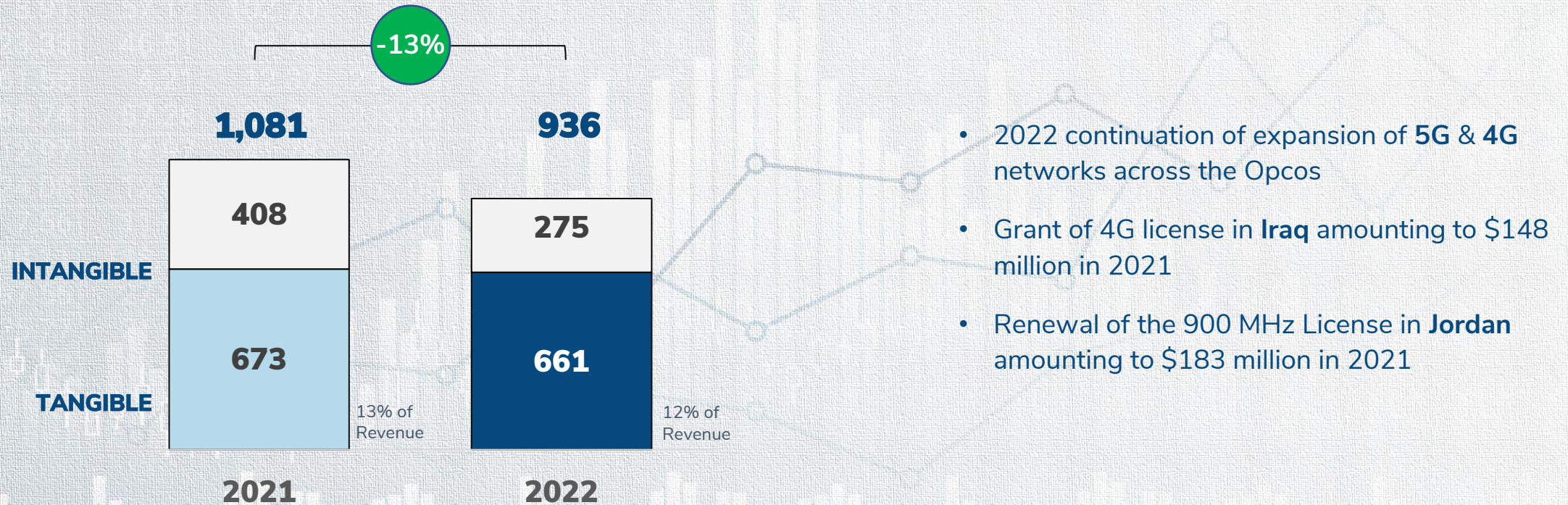


NET INCOME (\$ m)



GROUP TOTAL CAPEX

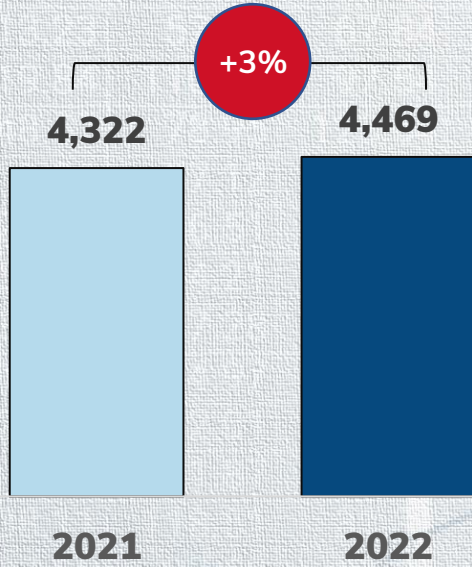
(USD m)



DEBT PROFILE

(USD m)

DUE TO BANKS (\$ m)



2.2x

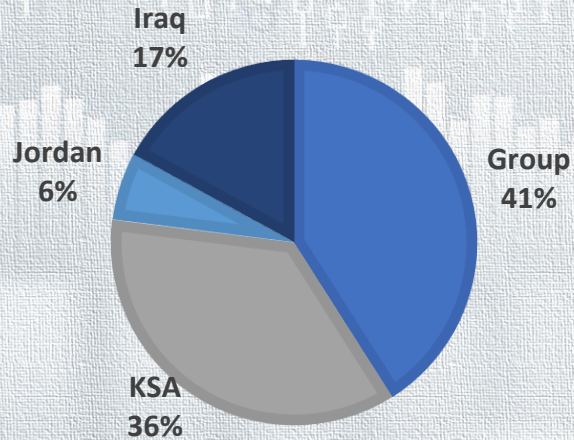
Total Net Debt / EBITDA
Among the lowest in the region

Effective Interest Rate

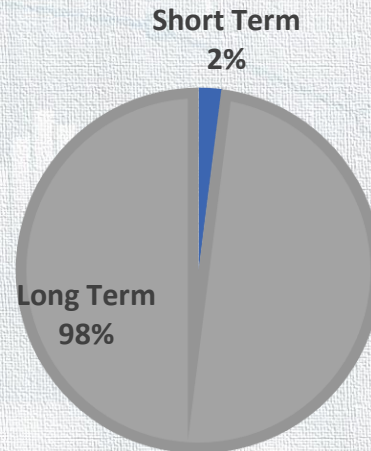
4.06%

As at 31 Dec'22

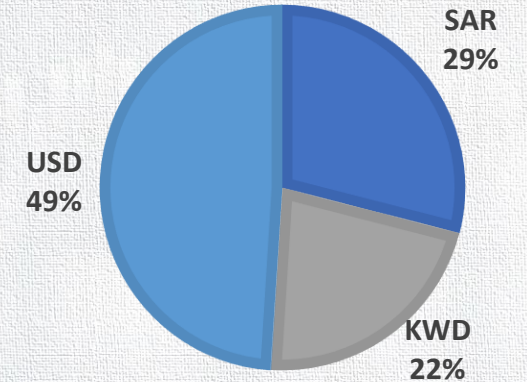
DEBT BY OPCO



DEBT BY MATURITY



DEBT BY CURRENCY



GROUP FINANCIAL KPIs

(KWD m)

Income Statement (KWD m)	2022	2021
Revenue	1,728	1,517
EBITDA	673	628
Net Income	196	186
EPS	45	43

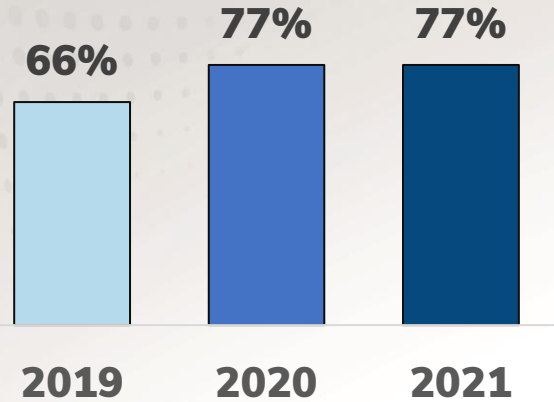
Balance Sheet (KWD m)	FY 2022	FY 2021
Cash and Cash Equivalents	240	232
Total Assets	4,950	4,799
Total Debt	1,367	1,305
Total Equity	1,896	1,812

Cash Flow (KWD m)	FY 2022	FY 2021
Operating	499	411
Investing	(265)	(341)
FCF	234	70
Financing	(224)	(179)
Effect of FX impact	(5)	(25)
Ending Cash Balance	234	230

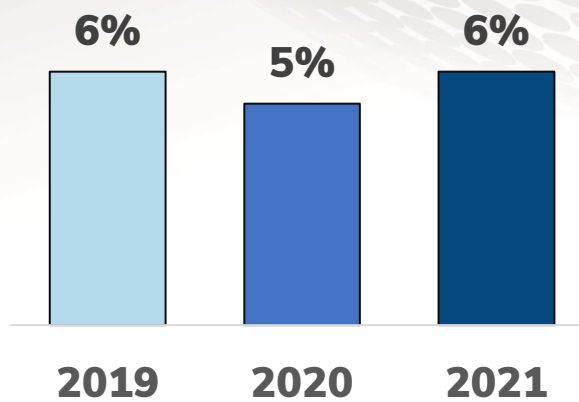
Group reported an impressive 6% increase in net profit for the year 2022 due to exceptional top-line performance across all major operations, lower Depreciation & Amortization, successfully mitigating major currency devaluation in Sudan (~30%), South Sudan (~56%) and Goodwill impairment of Zain Iraq.

DIVIDENDS

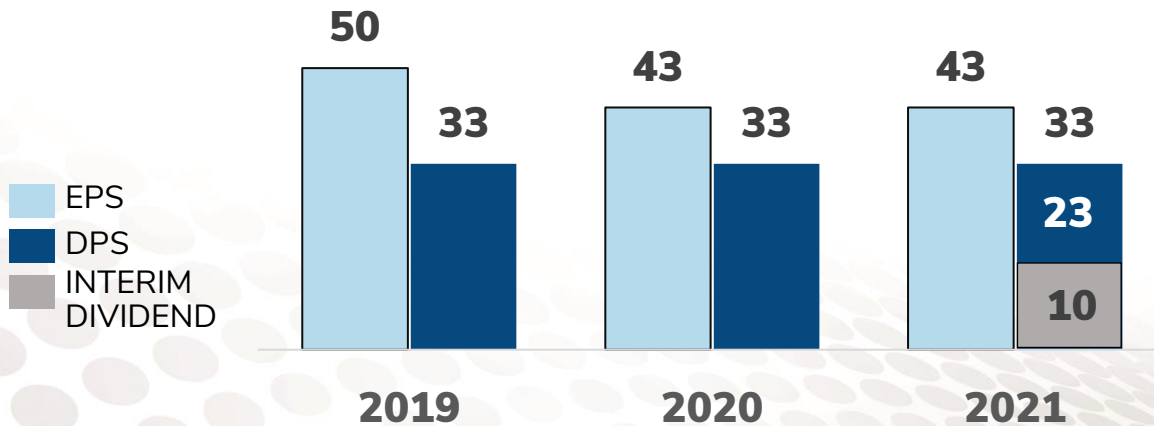
DIVIDEND PAY-OUT RATIO



DIVIDEND YIELD



EPS & DPS (Fils)



- Board recommends cash dividends **25 fils** for H2 2022, this dividend follows the semi-annual dividend of **10 fils** distributed earlier in 2022, totaling **35 fils** per share for 2022.
- 2nd consecutive interim dividend of \$140m (10 fils/share) for the first 6M'22 distributed on **14th September 2022**
- Dividend of \$471m (**33 fils**) for 2021 compared to \$470m (**33 fils**) for 2020
- Average dividend payout ratio in the high **70% range**
- First company in Kuwait to implement a minimum cash dividend policy (**33 fils/year for 3 years starting 2019**)

ZAIN SHARE PRICE

SHARE PRICE MOVEMENT



TOTAL SHARES

4,327,058,909

P/E

~13 TIMES

MARKET CAP

USD 8.3 BILLION

DIVIDEND YIELD

6%

85%

LOCAL INVESTORS

15%

INTERNATIONAL INVESTORS

THE SUSTAINED TRUST AND CONFIDENCE OF OUR SHAREHOLDERS ENABLED US TO REMAIN FOCUSED ON ACHIEVING OUR STRATEGIC OBJECTIVES AND MAXIMIZING RETURNS IN THESE CHALLENGING TIMES



THE MOST ADVANCED DIGITAL MONETIZATION ECOSYSTEM PROVIDER IN THE MENA REGION

CONNECT YOUR BUSINESS

Connect your business to the World of Zain as We are connected to over **50 Mn** customers across Zain Operators and Omantel

VERSATILITY IN APPLICATION

We support a variety of **51** services across business verticals including but not limited to Entertainment, Gaming, Education, Health and many more...

ONE CONTRACT-ONE INTEGRATION

Use the scale of Zain Group to minimize time-to-market with more than **25** merchants live on platform

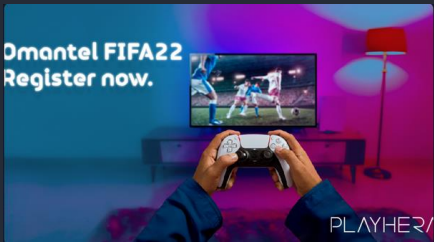


Dizlee announced at Mobile World Congress 2022 with the first MoU signed with LG U+

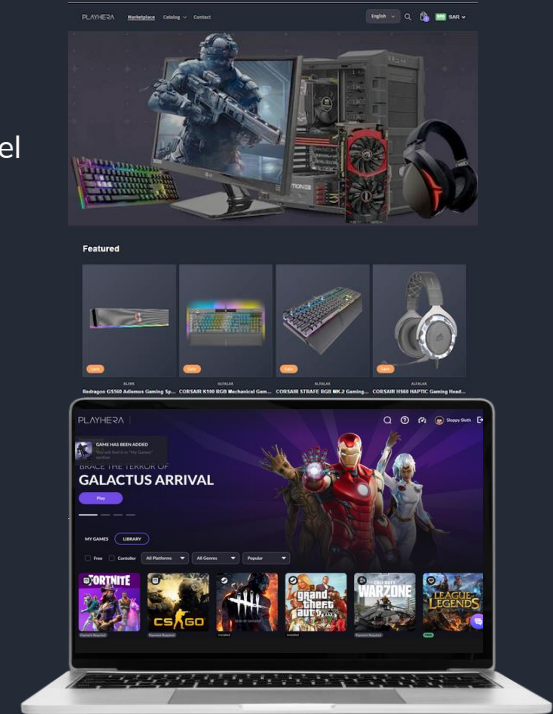


ZAIN ESPORTS UPDATES

PLAYHERA



- Total 85 tournaments conducted by Playhera in 2022
- Playhera MENA introduced to Zain Opcos and Omantel in Q2 2022
- Sub-licensing agreement covering tournaments, cloud gaming and ecommerce signed with Omantel
- E-commerce (beta) launched in KSA with 160 SKUs
- Implementation discussions ongoing in Kuwait
- Cloud gaming with Playhera MAX initialized with Zain KSA – to be launched in Q1 2023



STATISTICS:



30,000+
participating
gamers



70 Mn+
Social Media
Impressions



100 Mn+
Social Media
Engagements



54k



26k



104K



32K



28K

SUSTAINABILITY ACHIEVEMENTS - 2022



GENERATION YOUTH

- ✓ Launched internet monsters campaign 2.0 highlighting risks for children
- ✓ Signed a global MoU with Child Helpline International (CHI) and engaged with around 12 representatives from the Child Helpline International network in each market
- ✓ Launched Project Arachnid's Child Sexual Abuse Blocking Mechanisms in Jordan and final stages to be launched in Iraq and Saudi Arabia
- ✓ Finalized the Mobile Operator Child's Rights Impact Assessment for Zain



CLIMATE CHANGE

- ✓ Managed the CDP disclosure process and achieved an A-score (leadership position)
- ✓ Disclose to CDP (Carbon Disclosure Project)
- ✓ Revised the strategic target for climate change to net-zero in line with industry direction/ sector.
- ✓ Set new CO2 emissions and water reduction targets as per SBTi (w/Group Tech)
- ✓ Developed the Climate Change Compliance Framework with Group Technology
- ✓ E-waste Warehouse management (categorization of materials)



OPERATING RESPONSIBLY

- ✓ Significantly increased supplier response rate on the self-assessment questionnaire from 40 suppliers in 2021 to 262 suppliers in 2022 w/ Group Procurement and Opcos
- ✓ Scaled physical audit process across all OpCos to audit 2 suppliers on sustainability risks in each OpCo
- ✓ Became participant at UN Global Compact initiative for responsible business practices



INCLUSION

- ✓ Launched Always Accessible campaign with Microsoft and the GSMA -1st fully accessible campaign for PWDs
- ✓ Launch commercial services for People with Disabilities in Kuwait, Bahrain & Jordan
- ✓ Women in Tech: Increased targets of the second phase of Women in Tech mentorship program from 5 to 100 students



REPORTING & ESG DISCLOSURE

- ✓ Launch 2021 Sustainability Report and 2022 Thought Leadership Report
- ✓ Align to SASB and TCFD reporting frameworks
- ✓ Automated materiality assessment process by embedding Datamaran (machine learning platform) in the assessment process.
- ✓ Embedded new GRI(Global Reporting Initiative) reporting framework for the 2022 Sustainability Report.
- ✓ Participated and became members of the GSMA Sustainability working group to develop ESG metrics for the mobile industry and MNOs



A-
Leadership Position

49/100
Above Industry Average

B
Within Industry Average

4 / 5
Above Industry Average

DIVERSITY AND INCLUSION

Zain is committed in uplifting its entire workforce and benefitting society



AWARENESS DAYS

- ✓ 54 Wellbeing Awareness Sessions
- ✓ Over 400 counselling sessions with Kuwait Counseling Center
- ✓ 663 Zainers registered on Tuhoon
- ✓ Oct 10th marked as a Day off



ACTIVATIONS

- ✓ Zainiac Innovation Academy launched a Strategic three-month leadership program
- ✓ Zain celebrated Global Entrepreneurship Week
- ✓ Launched Vanguard, a multi-faceted strategy to push Zain's culture into becoming a truly innovative one.



PROGRAMS

- ✓ Over 90 candidates completed the WE SUCCEED Succession Management Program
- ✓ Launched WE SUPPORT Program
- ✓ Launched WE WONDERFUL,



SPEAKERS

- ✓ Hosted global speakers aligned to each our pillars to further reinforce its importance and impact.



Z2020

- ✓ Z22 ran Generation Z in Zain Group, Zain Bahrain and Zain Iraq
- ✓ ZY Leadership Program for 19 high potential employees
- ✓ Certified ZY in INSEAD Emerging Leadership Qualifications
- ✓ Certified Z22 in Agile Project Management, Advanced Excel, Data Analytics, Creativity and Innovation



- Zain has been recognized as having the “Best Diversity & Inclusion (D&I) Strategy” and “Best Women Development & Leadership Program” in the Middle East at the Future Workplace Awards 2022, held in Dubai on November 15th, organized by the UK based Informa Connect, a member of the FTSE 100
- Zain celebrated its Diversity & Inclusion achievements by welcoming all the operations in a full day event on the 8th Dec, 2022
- Introduced three new inclusion competencies, groupwide into Zain: Courage to Engage, Addressing Bias, Advocacy



FY 2022 GUIDANCE

We Met Our FY 2022 Guidance as promised

FY 2022

REVENUE

FY 2021

\$ 5,033

MILLION

FY 2022

\$ 5,644

MILLION

FY'22 Guidance

>13%

Actual

+14%*

EBITDA

\$ 2,083

MILLION

\$ 2,198

MILLION

>5%

+7%*

EPS

14

CENTS

15

CENTS

>3%

+6%*

CAPEX

Tangible

13%

OF REVENUE

12%

OF REVENUE

13%

12%

*Growth in KD Currency

WHY ZAIN?

4SIGHT ... CLEAR STRATEGY

Clearly defined strategy with a strong focus on digital and enterprise, as well as new verticals moving away from traditional telco approach

5G LEADERSHIP

Largest 5G network footprint across region combined with strategic investments in technology and innovation driving new revenue streams

PROFITABILITY ACROSS OPERATIONS

Highly profitable operations across our footprint with a strong focus on unlocking potential for further growth and increase our shareholders value

UNLIMITED POTENTIAL OF KEY GCC MARKETS

Youth bulge driving data consumption, Enterprise & Government ICT needs, High GDP in several markets, huge govt projects driving economies, oil price improvements

TOWERCO BUSINESS MODEL

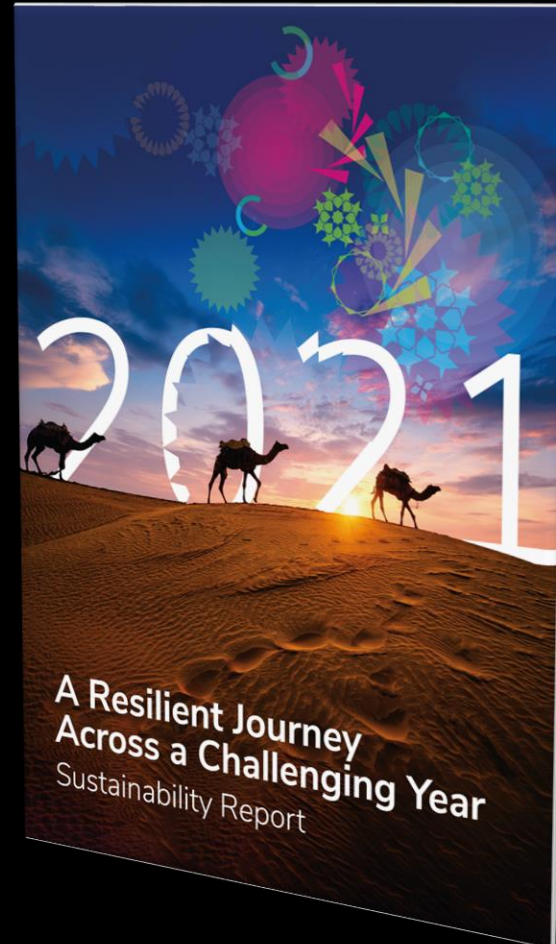
Unlocking capital from passive infrastructure to drive efficiencies and focus on core business

DIGITAL SERVICES

Continual rollout of dynamic new digital services driving customer acquisition and revenue streams



ZAIN REPORTS





THANK YOU

ZAIN GROUP INVESTOR RELATIONS

✉ : IR@zain.com

www.zain.com/en/investor-relations/