



Unsolicited Entity Rating Report

Etihad Etisalat Company (Mobily)

(Saudi Joint Stock Company)

September 2025

RELATED CRITERIA AND METHODOLOGY

- To obtain the rating scale and definition of default, and to view the corporate rating methodology (second edition 2024), please visit the agency's website at the following link: www.tassnief.com

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- It is important to note that the rated entity has not participated in the rating process, and the rating was not disclosed to the entity prior to the public announcement.

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Rating Summary

1.1 TASSNIEF Opinion:

<i>Etihad Etisalat Company (Mobily)– Entity Rating</i>	
<i>Domicile</i>	<i>Saudi Arabia</i>
<i>Long-Term Rating</i>	<i>AA- (pi)</i>
<i>Outlook</i>	<i>NA</i>
<i>Short-Term Rating</i>	<i>T2</i>
<i>Rating Watch</i>	<i>N/A</i>
<i>Action Type</i>	<i>Maintained</i>
<i>Date of Initial Rating</i>	<i>August 2023</i>

SIMAH Rating Agency (Tassnief) has maintained long-term entity rating of “(AA-(pi))” (Double A minus unsolicited rating) and a short-term entity rating of “T-2” to Etihad Etisalat Company (Mobily). The AA- ratings reflect robust credit profile. Tassnief considers the rated issuer to hold very high creditworthiness and thus very low credit risk. The risk profile may vary slightly with changes in economic / sector conditions.

1.2 TASSNIEF Rating Rationale:

The assigned rating reflects Etihad Etisalat Company's solid market position, adequate network coverage, moderate business risk, and robust financial strength. The assessment acknowledges the company's sound governance structure, supported by effective internal controls and thorough strategic planning mechanisms. The ratings also reflect the positive trajectory demonstrated in key financial indicators throughout 2024 and into the current year.

The financial profile shows notable improvement, especially in leverage and coverage metrics. The debt-to equity ratio has declined in recent years, enhancing the company's financial stability. The liquidity position is strengthened by robust cash flow generation. In addition to healthy cash flows, liquidity is further supported by an efficient working capital cycle, demonstrated by the consistent conversion of Fund Flow from Operations into Cash Flow from Operations.

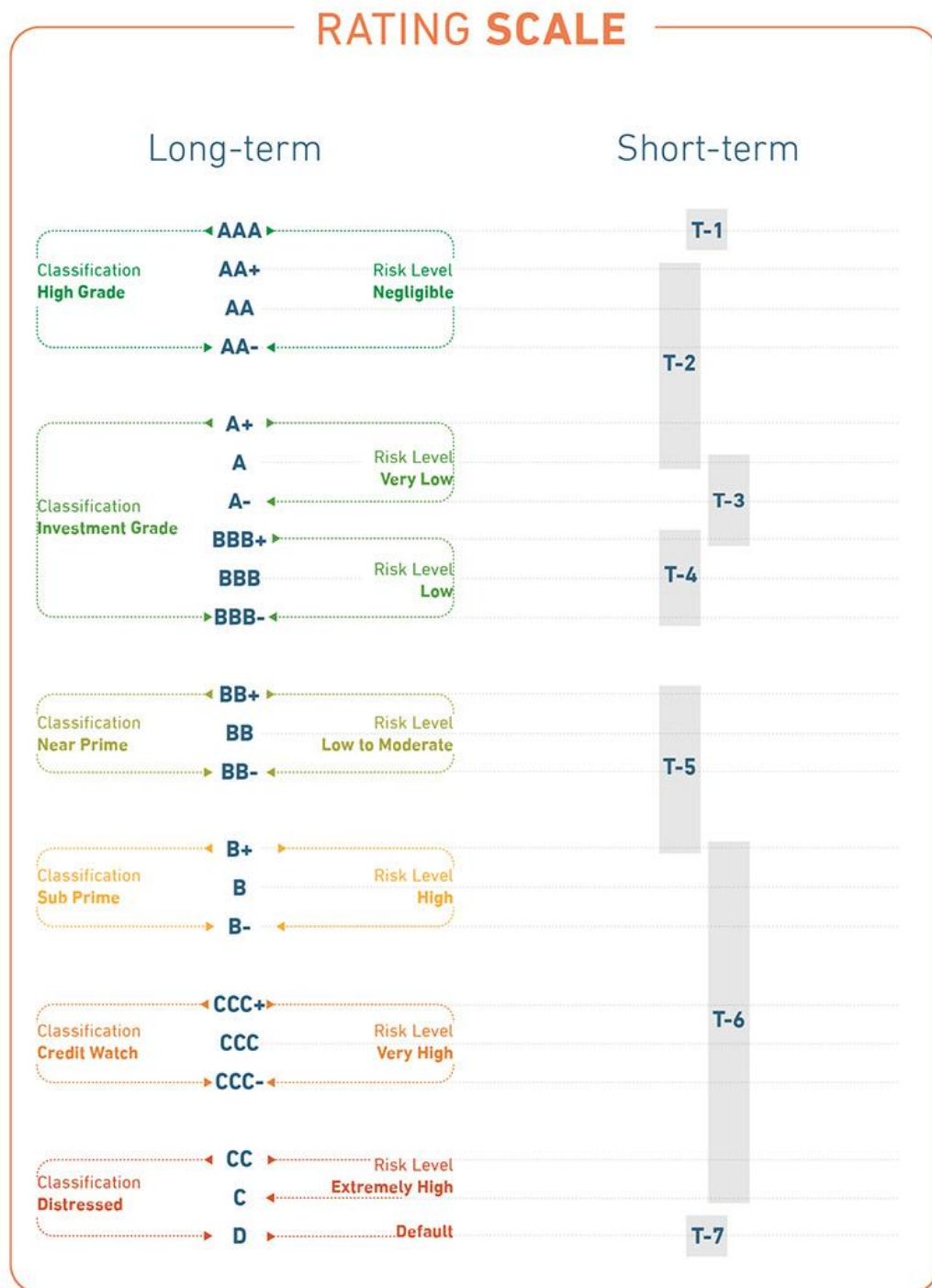
The telecommunications industry in Saudi Arabia exhibits a relatively stable risk profile characterized by several key features. Its revenue streams are less affected by economic cycles, akin to utility companies, thanks to consistent demand for communication services. Demographic factors, such as a young population with high smartphone and social media usage, support ongoing growth. Despite a high level of competition due to saturated mobile penetration, the industry structure remains balanced with a dominant three-player market. Over the past two years, the mobile subscriber base has continued to grow, a trend expected to persist throughout the rating period. This growth is fueled by population increases driven by new city developments, regional headquarters relocating to KSA, and efforts to attract more pilgrims. The regulatory environment, guided by the Communication and Information Technology Commission (CITC), emphasizes stability, predictability, and maturity, which are critical for fostering sustained sector growth and attracting investment. Looking ahead, the telecom sector is well-positioned to maintain its expansion trajectory, supported by strong non-oil GDP growth, ongoing deployment of 5G infrastructure, and expanding opportunities in related non-telecom markets. These factors collectively underpin the sector's resilience and growth prospects in the coming years.

1.3 Rating Triggers

Ratings would remain contingent on strengthening the competitive position, effectively implementing strategic initiatives, and maintaining momentum in financial performance improvements.

About the Company: Mobily is the second largest player in the telecom sector in KSA. As per Tassnief estimates, the Company has a market share of around 17% in terms of revenues while market share in terms of subscribers is higher. The Company's major shareholders consist of Etisalat Emirates Corporation (Etisalat Group' or Etisalat by e&). Etisalat Group is a telecommunications service provider headquartered in Abu Dhabi. With a history spanning over four decades, the Group has grown to serve 170 million subscribers across 32 countries in the Middle East, Asia, and Africa.

TASSNIEF's Long-term & Short-term Rating Scale



Long-Term Rating Scale	Definitions
AAA	Extremely Robust ; Tassnief considers the rated issuer or issuance hold the highest creditworthiness , thus negligible credit risk
AA+ AA AA-	Very Robust ; Tassnief considers the rated issuer or issuance hold very high creditworthiness , thus minimal credit risk . Risk profile may vary slightly with changes in economic / sector conditions
A+ A A-	Robust ; Tassnief considers the rated issuer or issuance hold high creditworthiness , thus very low credit risk . Risk profile may vary with changes in economic / sector conditions
BBB+ BBB BBB-	Moderate ; Tassnief considers the rated issuer or issuance hold adequate creditworthiness , thus low credit risk . Risk profile may exhibit moderately high variation with changes in economic / sector conditions
BB+ BB BB-	Tassnief considers the rated issuer or issuance hold low to moderate credit risk . Risk profile may exhibit wide variation with changes in economic / sector conditions.
B+ B B-	Tassnief considers the rated issuer or issuance hold very low creditworthiness , thus high credit risk
CCC+ CCC CCC-	Tassnief considers the rated issuer or issuance hold extremely low creditworthiness , thus very high credit risk
CC C	Highly speculative credit profile , and the default is imminent
D	Tassnief considers the rated issuer or issuance have defaulted or may default soon .

****End of Report****