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**Ordinary General Assembly Meeting
(First Meeting)**

**Mobile Telecommunication
Company Saudi Arabia
(Zain KSA)**

June 22nd 2023 at 6:45 PM via modern technology means

Zain KSA Ordinary General Assembly Meeting Agenda

1. Reviewing and discussing the Board of Directors' report for the fiscal year ending on 31 December 2022.
2. Reviewing and discussing the financial statements for the fiscal year ending on 31 December 2022.
3. Vote on the External Auditor's report for the fiscal year ending on 31 December 2022 after discussing it.
4. Vote on approving the absolving of the Board of Directors of their responsibility for managing the company of the fiscal year ended 31st December 2022..
5. Vote on the decision of the Board of Directors to appoint Mr. Talal AlMamari as a (non-executive) member of the Board of Directors, starting from the date of his appointment on 09-05-2023 to complete the term of the Board until the date of the end of the current session on 04/24/2025, to succeed the previous member, Mr. Firas Oggar (non-executive). (CV attached)
6. Vote on the appointment of the External Auditor and determination of its fees amongst the list of nominees, as recommended by the audit committee, to review and audit the company's financial statements for the second, third, and fourth quarter and annual financial statements of fiscal year 2023, in addition to the first quarter of fiscal year 2024.
7. Vote on delegating the Ordinary General Assembly's authorization powers stipulated in paragraph (1) of Article (27) of the Companies Law to the Board of Directors for a period of one year effective 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.
8. Vote on the recommendation of the Board of Directors to distribute cash dividends to the shareholders for the fiscal year ending 31 December 2022 amounting to (SAR 449,364,588) at (SAR 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 registered in the Company's shareholders record at Securities Depository Center Company (Edaa) by the end of the second trading day following the eligibility date. The distribution date will be announced later.
9. Vote on the payment of SR 4,500,000 to board members as remuneration for the fiscal year ending 31 December 2022.

First Item

The Board of Directors' report




The Board of Directors' report

for the fiscal year ending on 31 December 2022.



Please follow the below link:

The Board of Directors' report
for the fiscal year ending on 31 December 2022.



Second Item

The Financial Statements



The Financial Statements

for the fiscal year ending on 31 December 2022.

Please follow the below link:



The Financial Statements
for the fiscal year ending on 31 December 2022.

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Third Item

The External Auditor's report





Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
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Independent auditor's report

To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company)

Qualified Opinion

We have audited the accompanying 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 2022, 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 these consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting 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 ("IFRS as endorsed by SOCPA").

Basis for Qualified Opinion

As at 31 December 2022, the consolidated financial statements included 'Right of use assets' amounting to SR 790 million (2021: SR 1,331 million), 'Lease liabilities' of SR 680 million (2021: SR 1,473 million), 'Finance cost' of SR 76 million (2021: SR 73 million), 'Amortization of right of use assets' of SR 195 million (2021: SR 415 million) and 'Right of use assets - held for sale' and 'Lease liabilities - held for sale' of SR 1,000 million and SR 802 million respectively. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of 'Right of use assets', 'Lease liabilities', and 'Right of use assets - held for sale' and 'Lease liabilities - held for sale' as at 31 December 2022 and 31 December 2021 and related 'Finance cost' and 'Amortization of right of use assets' for the years ended 31 December 2022 and prior years, because of the unavailability of auditable information as of the date of our report. Consequently, we are not able to conclude whether any adjustments to the consolidated financial statements and related disclosures may have been necessary for the years ended 31 December 2022 and 31 December 2021 and prior years.

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 that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current year. In addition to the matters described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Independent auditor’s report (continued)

To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group’s revenue consists primarily of subscription fees for telecommunication, data packages and use of the network totalling SR 9.1 billion for the year ended 31 December 2022.</p> <p>We considered this a key audit matter as the application of accounting standard for revenue recognition in the telecommunication sector includes number of key judgments and estimates.</p> <p>Additionally, there are inherent risks about the accuracy of revenues recorded due to the complexity associated with the network environment, dependency on IT applications, large volumes of data, changes caused by price updates and promotional offers affecting the various products and services offered, as well as the materiality of the amounts involved.</p> <p><i>Refer to note 4 for the accounting policy related to revenue recognition and note 23 for the related disclosures.</i></p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Involved our IT specialists to test the design, implementation and operating effectiveness of system internal controls related to revenue recognition. • Assessed the Group’s revenue recognition policies, for compliance with IFRS as endorsed by SOCPA. • Inspected a sample of revenue reconciliations prepared by management between the primary billing system and the general ledger. • Tested, on sample basis, the accuracy of customer invoice generation and tested a sample of the credits and discounts applied to customers invoices. • Performed analytical procedures by comparing expectations of revenues with actual results and analysed variances. • Assessed the adequacy of the relevant disclosures in the consolidated financial statement.

Independent auditor’s report (continued)

To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of property and equipment and intangible assets	
<p>As at 31 December 2022, the Group’s consolidated financial position included property and equipment amounting to SR 4.93 billion and intangible assets amounting to SR 14.97 billion.</p> <p>At each reporting date, the Group’s management assesses whether there is any indication that property and equipment and intangible assets may be impaired.</p> <p>This involves significant judgments in respect of factors such as technological changes, challenging economic conditions, changing regulatory environment and restrictions, operating or capital costs and other economic assumptions used by the Group.</p> <p>We considered this as a key audit matter as it involves management’s assumptions and estimates as well as the materiality of the amounts involved.</p> <p><i>Refer to note 5 and note 4 for the accounting and critical judgements and policies related to valuation of property and equipment and intangible assets.</i></p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> • Assessed the Group’s impairment policies for property and equipment and intangible assets, for compliance with IFRS as endorsed with SOCPA. • Assessed the appropriateness of management’s determination of CGUs, based on the requirements of International Accounting Standard (“IAS”) 36 ‘Impairment of Assets’, that is endorsed in the Kingdom of Saudi Arabia. • Evaluated management’s procedures in identifying impairment indicators in respect of the related CGUs. • Evaluated the reasonableness of management’s assumptions and estimates in determining the recoverable amount of the Group’s CGUs, including those relating to projected forecasts. • Involved our internal experts to validate the mathematical accuracy and the assumptions used by management in the impairment models. • Assessed the adequacy of the relevant disclosures included in the consolidated financial statements.



Independent auditor's report (continued)

To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Capitalization of property and equipment</p> <p>The Group has a material capital expenditure plan and therefore incurs significant annual expenditure in relation to the development and maintenance of both infrastructure assets and assets in relation to network and related equipment.</p> <p>Costs related to upgrading or enhancing networks are treated as capital expenditures while expenses spent to maintain the network's operating capacity are recognized as expenses in the same year in which they are incurred. Accordingly, the assessment and timing of whether assets meet the capitalization criteria set out in IAS 16 Property, Plant and Equipment requires judgement.</p> <p>We consider this as key audit matter since it involves management's assumptions as well as materiality of the amounts involved.</p> <p><i>Refer to note 4 for the accounting policy related to property and equipment and note 11 and 13 for the related disclosures.</i></p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> • Tested the design, implementation and operating effectiveness of key controls in place over the capitalization of property and equipment. • Assessed the Group's capitalization policy, for compliance with IFRS as endorsed by SOCPA. • Tested, on sample basis, costs capitalized are in accordance with the approved budgeted for capital expenditure for the year and the related supporting documents. • Tested, on sample basis, capitalization of expenses in compliance with the Group's capitalization policy. • Assessed the adequacy of the relevant disclosures included in the consolidated financial statements.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who expressed unmodified opinion on those consolidated financial statements on 2 Rajab 1443H (corresponding to 3 February 2022).

Other information included in The Group's 2022 Annual Report

Other information consists of the information included in the Group's 2022 annual report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information. The Group's 2022 annual report is expected to be made available to us after the date of this auditor's report.

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.



Independent auditor's report (continued)

To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company)

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting 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 and the provisions of Companies' Law 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 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 judgment and maintain professional skepticism 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.
- 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, 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.



Independent auditor's report (continued)

To the Shareholders of Mobile Telecommunications Company Saudi Arabia
(A Saudi Joint Stock Company)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 year 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.

for Ernst & Young
Professional Services

Saad M. Al-Khathlan
Certified Public Accountant
License No. (509)

Riyadh: 10 Ramadan 1444H
(1 April 2023)



Annual Audit Committee Report
for the fiscal year ending on 31
December 2022



1. Introduction

The Audit Committee (AC) in 2022 has overseen the efficiency and effectiveness of internal control at Zain KSA. To assess that, a number of meetings were held during 2022 with Internal Audit General Manager, Senior Management, and External Auditor. This report briefly summarizes the AC roles and responsibilities, the composition of the AC, meetings conducted, important outcomes and decisions, internal audit coverage, and AC opinion on the internal control system.

2. AC Roles and Responsibilities

The Committee's roles and responsibilities include its statutory duties per the CMA Corporate Governance Rules, the Companies Law, and the responsibilities the Board of Directors assign to it.

The Committee has carried out its functions through meetings and discussions with Executive Management, the Internal Audit team, and External Auditors.

The main responsibilities of the AC are the following:

- Assist the Board of Directors in its evaluation of the adequacy and efficiency of the internal and financial control systems, accounting practices, information systems, and auditing processes applied within the Company.
- Review and monitor the Company's management, Internal Auditors, External Auditors, and the Company's finance policies to reasonably assure the adequacy of accounting principles and financial practices applied.
- Review and discuss the accounting policies adopted, and any changes in accounting policies, and submit recommendations and views to the Board of Directors.
- Review and analyze the interim (quarterly) and annual financial statements before presentation to the Board of Directors, providing opinions and recommendations to ensure their integrity, fairness, and transparency.
- Nominate and recommend the appointment and remuneration of External Auditors, monitor their effectiveness, and determine their equivalents.
- Supervising and monitoring the company's Internal Audit department to verify its effectiveness in performing the duties and tasks assigned to it.
- Reviewed the effectiveness of the system for monitoring compliance with applicable laws and regulations including governance regulations, the results of management's investigation and any instances of non-compliance.
- Approved the Internal Audit charter as well as Internal Audit policies and procedures.
- Meeting individually and periodically with the Internal Audit General Manager to discuss any matters that the Audit Committee or the Internal Audit General Manager may consider necessary.

3. AC Composition

The AC composition is as follows:

S No	Name	Position
1	Mr. Raied Bin Ali Alsaif	Chairman of the Zain KSA Audit Committee *
2	Mr. Martial Antoine Caratti	Chairman of the Zain KSA Audit Committee **
3	Mr. Ossama Michael Matta	Audit Committee Member
4	Saud Abdullah Albawardi	

* Mr. Georges Pierre has been nominated by the general assembly on 20 April 2022 as an AC member to replace Mr. Raed Alsaif. Mr. Georges Pierre resigned for personal reasons and Mr. Saud Albawardi was nominated by the Board on 6 July 2022 as an AC member to replace Mr. Georges Pierre.

**Mr. Martial Caratti, has been nominated as the chairman of the Audit Committee, and Mr. Saud Abdulaziz Alshetwey, has been nominated as the Secretary of the Audit Committee on 7 July 2022.

4. AC Meeting

The AC meets at least four times per annum, with the authority to convene additional meetings as circumstances require.

The following are the details of the AC meetings held in 2022:

#	Name		27 th January 2022	13 th April 2022	7 th July 2022	31 st October 2022	Total
1	Raied Bin Ali Alsaif	Chairman*	✓	✓			2
2	Martial Caratti	Chairman**	✓	✓	✓	✓	4
3	Ossama Michael Matta	Member	✓	✓	✓	✓	4
4	Saud Abdullah Albawardi	Member*			✓	✓	2

5. Important Decisions / Outcomes

Following are important outcomes for above mentioned meetings:

- AC reviewed and approved the risk-based audit plan for the period 1st January to 31st December 2022 and the required budget.
- AC reviewed and recommend the year-end Financial Statements for 2022, and the quarterly Financial Statements for 2022 for approval by the Board of Directors.
- AC reviewed and examined the quarterly Internal Audit reports for 2022 and discussed the important observations and the management timeline for implementation.

- AC evaluated the proposals of External Auditors and provided recommendations to the Board of Directors to nominate External Auditor to the company for Q2, Q3, Q4 of the year 2022 and Q1 2023.
- AC reviewed the adequacy of the Company's internal control system.

6. Internal Control Systems

The internal control system has an important role in any organization's success. Zain KSA is committed to ensuring an effective internal control system to achieve regulatory objectives, asset protection, accurate internal and external reporting, risk reduction, and adherence to regulatory requirements.

The Audit Committee oversees the Internal Audit work, which periodically reviews the adequacy and effectiveness of the internal control system, to provide a continuous assessment of the internal control system and its effectiveness. The Committee also reviews the External Auditor's reports and management letter, which might include any lack of internal control noted by the External Auditor as part of his internal control assessment.

Based on the above The Audit Committee also considers that the management position in general regarding internal control is positive, as the majority of activities are governed by written policies and procedures, and management reacts positively towards the recommended policies or improvements.

Fourth Item

absolving of the Board of
Directors of their responsibility
for managing the company



Fifth Item

The new BoD member CV



CV Form Number (1)

a) Personal Information of the Nominee				
Full name:	Talal Said Al Mamari			
Nationality: Omani	30-11-1972			
b) Qualifications of the Nominee				
#	Degree	Major	Date of the Degree	Name of Awarding Entity
1	Bachelor	Business Administration (Accounting)	1997	Deakin University, USA
c) Work Experience of the Nominee				
Term	Areas of Experience			
29 June 2019 - Until now	CEO of Omantel			
March 2012 - June 2014	CFO of Omantel			
April 2009 - March 2012	Executive Vice President of Finance at Omantel			

d) Current membership in the board and committees of other joint stock companies (listed or unlisted) or any other company, regardless of its legal form						
#	Name of the Company	Main activity	Membership status	Membership nature	Committees Membership	Legal Form of the Company
1						
2						
3						

Sixth Item

Appointment of the
External Auditor



Seventh Item

Delegating the Ordinary General Assembly's authorization powers stipulated in paragraph (1) of Article (27) of the Companies Law to the Board of Directors



Eighth Item

**BoD recommendation to
distribute dividends**



Statement of Board of Directors' recommendation to distribute cash dividends to the company's shareholders for the fiscal year 2022

Element List	Explanation
Date of the board's decision	2023-03-25 Corresponding to 1444-09-03
The Total amount distributed	SAR 449,364,588
Number of Shares Eligible for Dividends	898,729,175
Dividend per share	SAR 0.5
Percentage of Dividend to the Share Par Value (%)	5 %
Eligibility date	The eligibility of Cash dividends will be to Shareholders who own the company shares on the Eligibility date and are enrolled in the Company's register at Securities Depository Center Company (Edaa) by the end of the second trading day of the General Assembly of the company, which will be announced later.
Distribution Date	Distribution date will be announced later after the General Assembly approval.
Additional Information	The company urges our respected shareholders to update their banking information to ensure the deposit of the cash dividends directly into their accounts. In addition, we would like to draw the attention of the non-resident foreign investors that the cash dividend distribution which is transferred by the resident financial broker is subject to a withholding tax of 5% according to the provisions of Article (68) of the Income Tax Law and Article (63) of the Implementing Regulations.

Ninth Item

**Approve the payment
of the board members
remuneration**

