

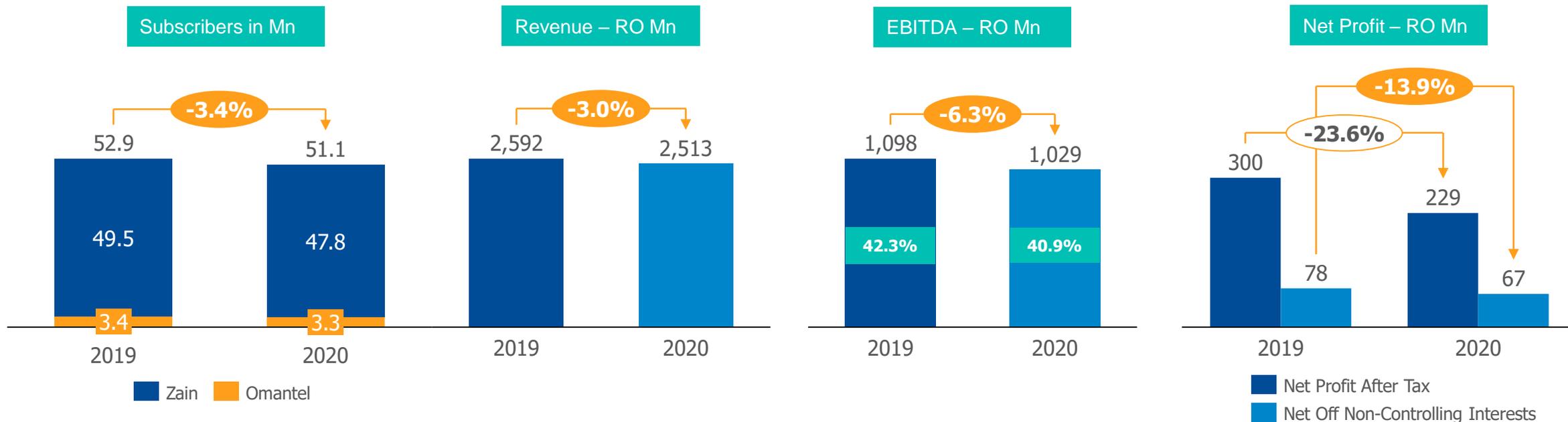


Omantel Group Performance – Year End 2020 Presentation to Investor Community

Conference Call

16th March 2021 at 2 P.M. (Oman Time)

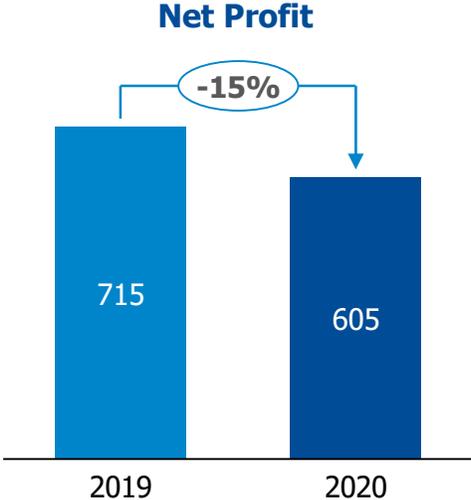
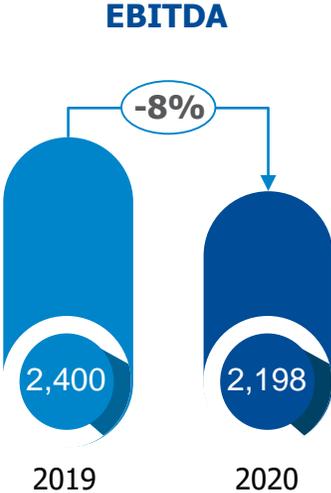
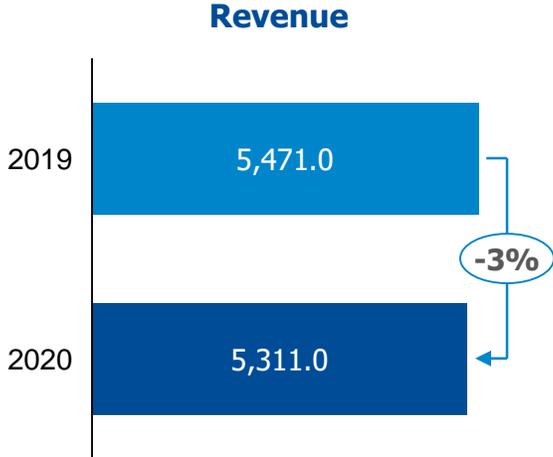
Omantel Group (Incl Zain Group) – Year 2020 Performance has been resilient despite the pandemic impact. Group Revenue stands at RO 2,513 Mn and Net Profit is at RO 229 Mn



- Group Revenue for the period is RO 2,513 Mn compared to RO 2,592 million for the corresponding period 2019, a decline of 3%. Revenue include acquired business of Zain Group, which contributed revenues of RO 1,991 Mn.
- Proactive Cost optimization measures across the Group helped in managing the overall results despite serious business disruptions from the Covid'19 pandemic.

- Zain Group customer base recorded a decline of 3.4%. Omantel customer base declined by 3.4%, mainly due to decline in mobile & resellers subscriber base as witnessed across the sector.
- Main reasons for declining subscriber base is due to Lock down impact as well as current macro-economic situation (increasing job losses and exit of expatriate employees).

Zain Group Performance – Year 2020 Performance (In US Dollars)



- + Prepaid segment Growth in Sudan
- + Data Revenue & Equipment Sales growth in Jordan
- Higher transit and trading revenue in KSA
- **COVID-19 impact on Group Revenue was \$417m**
- Extension of Lockdown in Iraq
- Rate change and FX translation impact from Sudan

- + **Cost Optimization Savings \$168m across all OpCos**
- + Savings in dealer commission due to Digital channel expansion

EBITDA Margin (41%) for 2020 Vs. RO (44%) last year, a decrease of 8%.

EBITDA impacted by revenue decline. However, the impact was partially offset through Cost Optimization Program launched in the wake of Covid-19 crisis

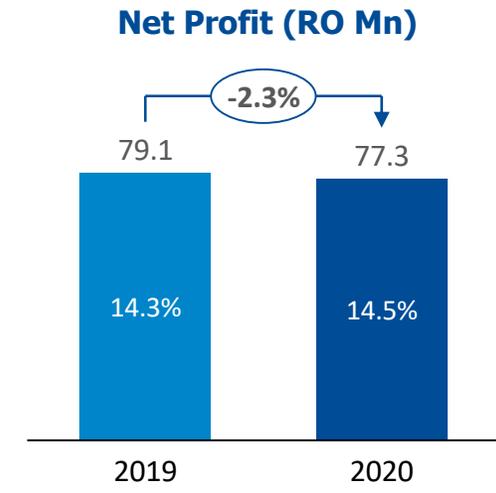
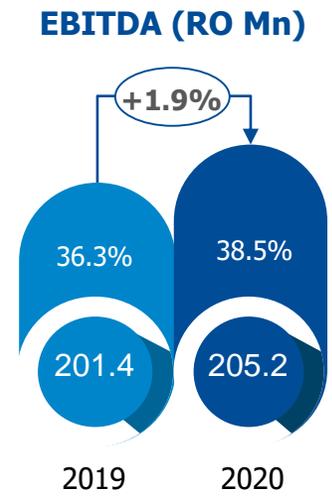
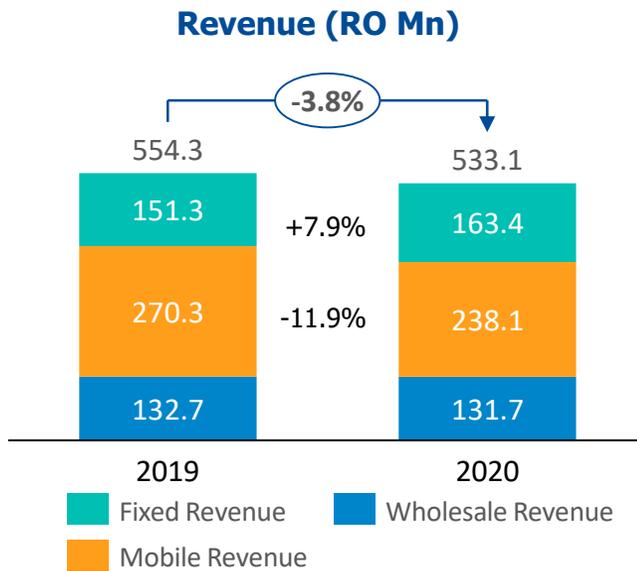
- + Gain on modification of financial liabilities in KSA
- + Benefit on Extension of License in Iraq
- + Sale and leaseback of Towers in Kuwait
- + Savings in Finance cost in KSA
- Increase in Depreciation mainly coming from KSA due to capitalization of 5G & Fiber.

Zain group Board has recommended to maintain the dividend level of 33 fils per share (same as last year) subject to the approval of AGM.

Omantel (Domestic performance)

Omantel + International SPVs + Domestic subsidiaries & associates

Omantel Domestic Performance shown an impressive performance in the backdrop of challenges posed by Covid-19 pandemic. Despite decline in revenues, effective cost optimization measures resulted in realizing increase in EBITDA.



- Revenues growth achieved in Mobile Postpaid, Fixed Broadband, Data Services, ICT, Wholesale International business and device revenues have contributed in managing the revenue for the Year 2020. Core revenues (*excluding Hubbing & Device revenues*) declined by 6.0% YoY.
- Fixed Line Retail revenues growth mainly contributed by Fixed Broadband Segment, where the revenues and subscribers recorded a growth of 9.0% and 8.3% respectively.
- Mobile Retail revenues decreased by 11.9% compared to last year mainly due to decline in prepaid revenues, however, Postpaid recorded a growth of 7.3% YoY
- Voice revenues (both national and international calls) continues its declining trend mainly due to increase in OTT services
- Operating & Admin costs decreased by 11.4% mainly due to cost optimization measures.

Segmental information – Year 2020 Performance

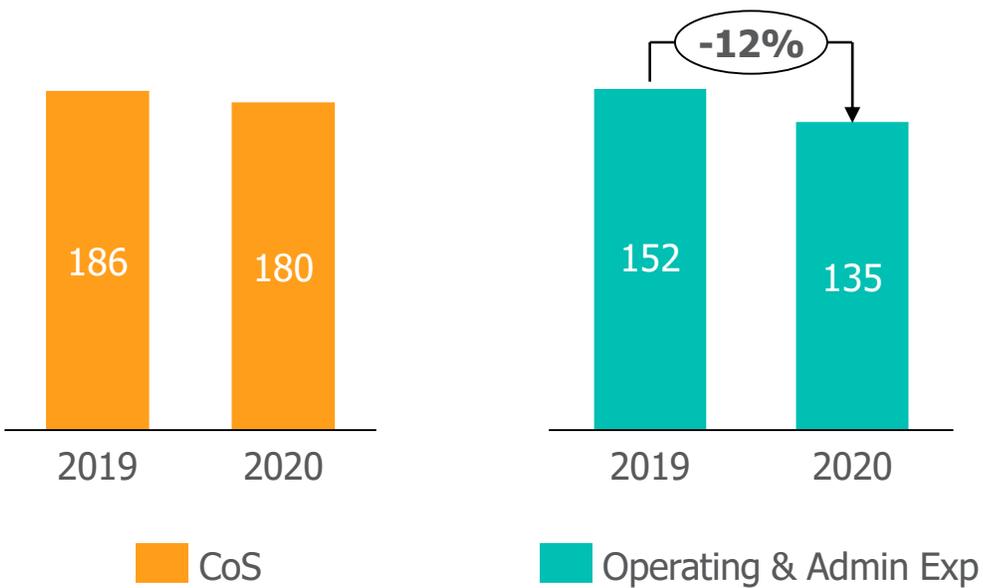
	Omantel Group – Segment Report								
In RO Mn	Oman	Kuwait	Jordan	Sudan	Iraq	Bahrain	KSA	Others	Total
Revenue	533.1	392.4	182.4	156.1	353.6	61.7	792.1	42.1	2,513.4
Net Profit	77.3	62.9	21.7	22.3	30.1	(6.6)	24.0	19.1	250.9
Others (Unallocated items)									21.9
Profit for the Period	77.3	62.9	21.7	22.3	30.1	(6.6)	24.0	19.1	229.0

Note:

- 1) Net profit are adjusted for Purchase Price Allocation (PPA).
- 2) Reported net profit of Zain Bahrain is adjusted for impairment charge of RO 6.8 Mn.
- 3) Others include unallocated adjustments which are of non-operating nature.

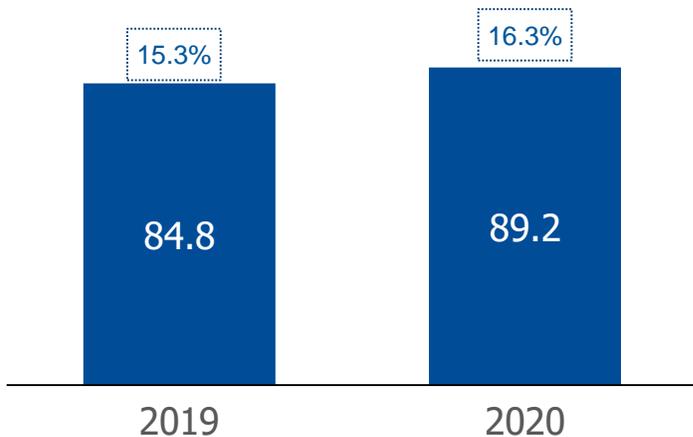
Operating & Admin costs are reduced by 12% YoY mainly due to cost optimization measures. OPEX to Revenue ratio is lower than previous quarters due to decrease in revenue related costs. Capex to revenue ratio is at 16.3%

CoS & Operating /Admin Expenses RO Mn



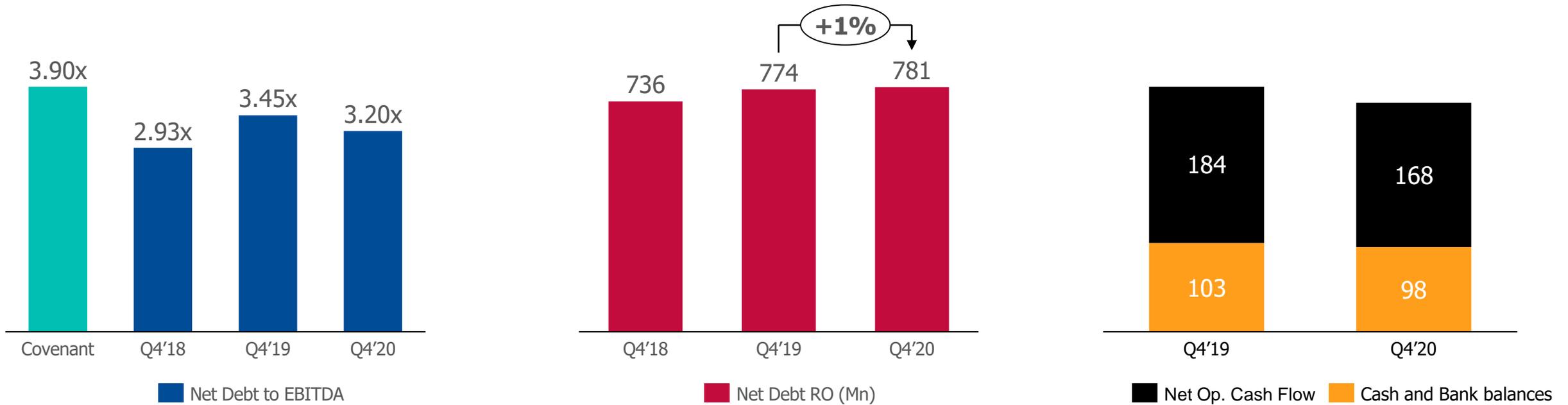
- YTD Opex to Revenue ratio for 2020 is 83% Vs 84% last year.
- Ratio decrease is mainly due to drop in both CoS & Operating/ Admin Expenses. The decline in CoS is mainly driven by decrease in External Admin (Hubbing), which in line with decrease in revenues.

CAPEX additions RO Mn



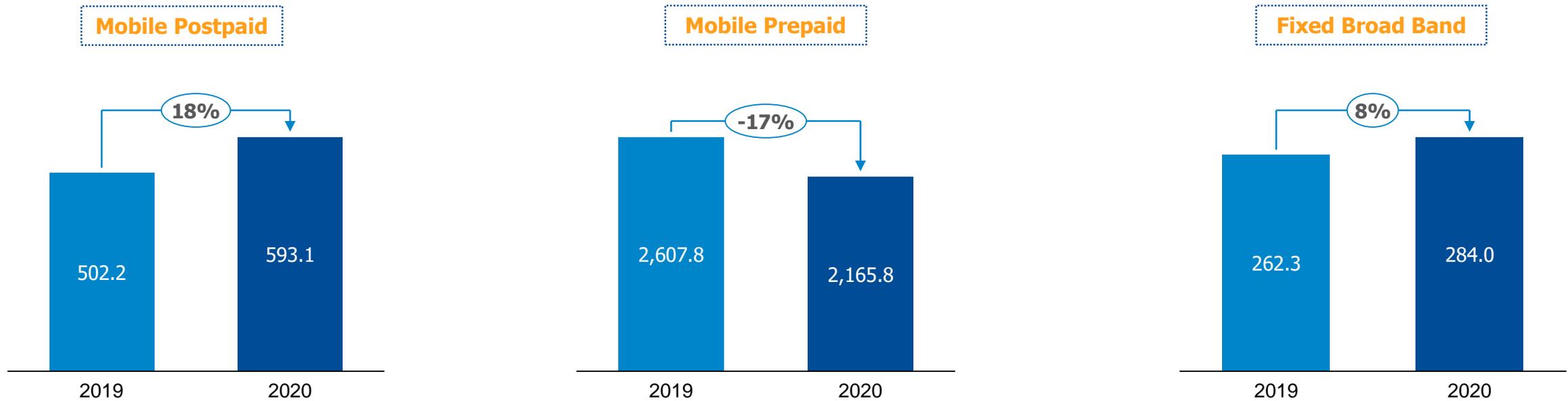
- Capitalization ratio is 16.3%, which slightly higher than last year mainly due to capitalization prior year projects.
- 36% of the New Project planned for the Year 2020 & 14% of the existing projects (Projects of Yr 2019 & before) are postponed/ cancelled amounting to RO 57.4 Mn.

Leverage and Cash Flow position



- The Net Debt to EBITDA is measured at the end of every half and full year. Net Debt to EBITDA (Leverage ratio) required as per the Covenant is 3.9. Based on adj EBITDA (EBITDA plus Dividend from Zain), the leverage as of Q4'2020 is 3.2x and Interest cover is 4.53 against the target of 4.
- Omantel carries a Corporate Family Rating (CFR) assigned **by Moodys 'Ba3'** and **by Fitch 'BB-'**

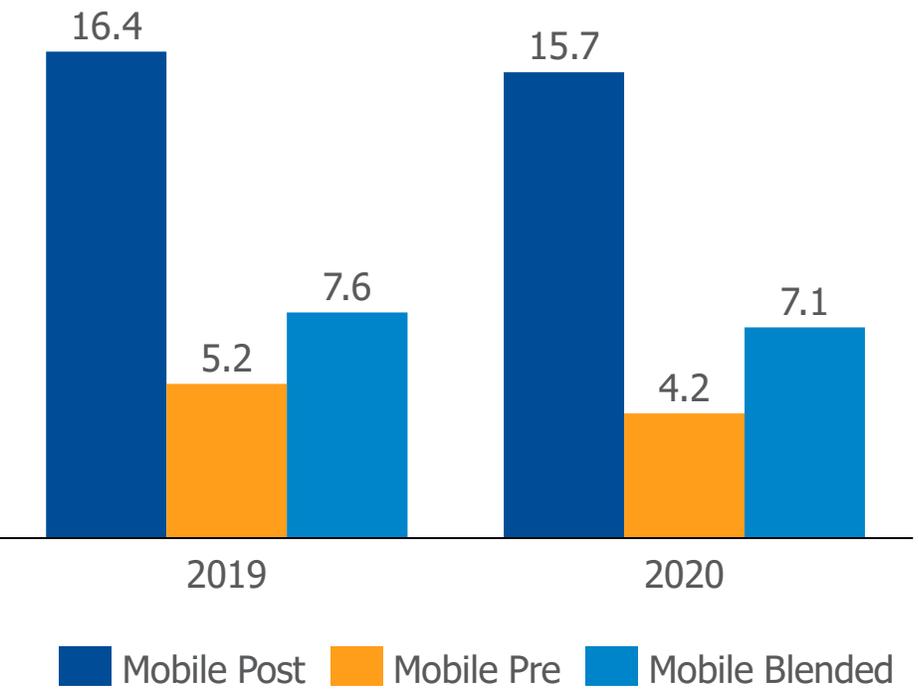
Omantel Subscriber base analysis shows FBB and Mobile postpaid continued its growth trajectory, while pre-paid declined YoY.



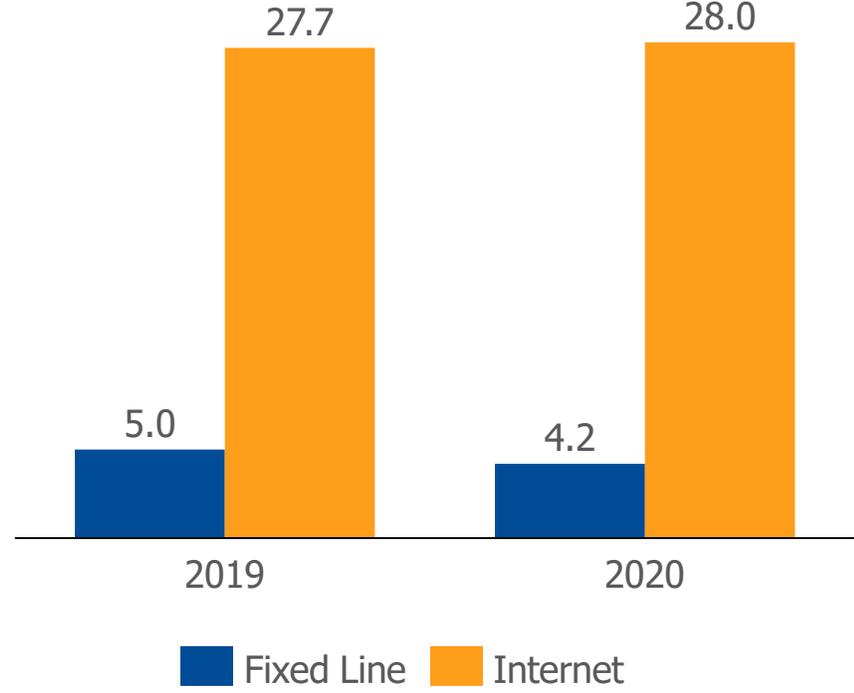
- Mobile postpaid customer base shows steady growth, mainly driven by pre to post migrations .
- Although prepaid market base is dropping in the country (YoY -6%), Omantel is maintaining the prepaid subscriber market share. The general drop on the Prepaid Customers base comes from migrations Postpaid plans, as well as, expats leaving.
- Fixed Broadband customer base keeps on growing, fundamentally on WFBB (4G/5G) with increased uptake in line with 5G network rollout and Fiber customers.

ARPU / month for Internet shows growth mainly due to uptake of higher ARPU services, while mobile continue to record marginal decline compared to previous year

Mobile Services RO / Month



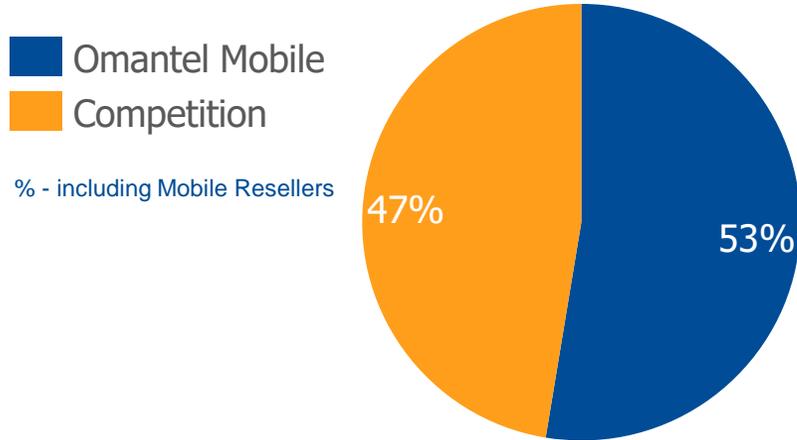
Fixed Line Services RO / Month



- Fixed line include post & pre-paid voice services.
- Internet include Fixed Broadband and all internet services (dialup post & prepaid, enterprise data services)

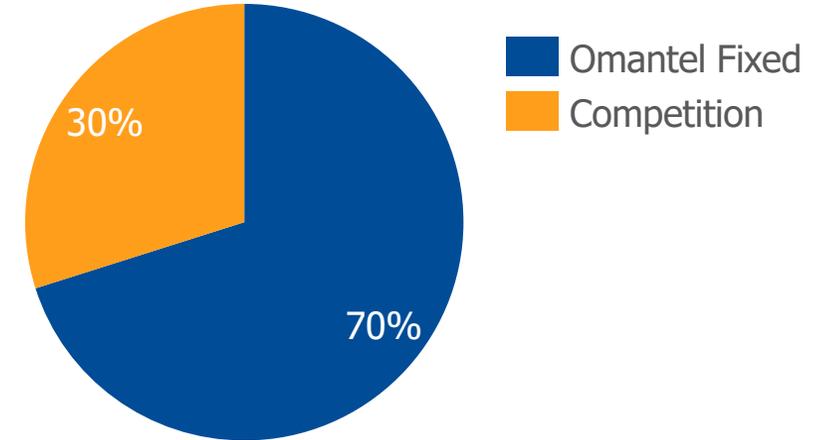
Mobile & Fixed Line Business Market share (Subscriber & Revenue share)

Mobile Subscriber Market share

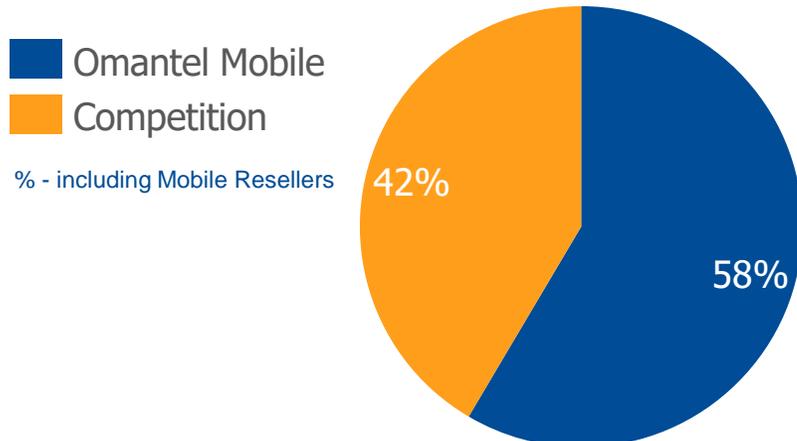


Note: Omantel Mobile (incl Mobile Resellers) subscribers declined by 3.9%, net drop is around 134 K mainly due to drop in Mobile Prepaid

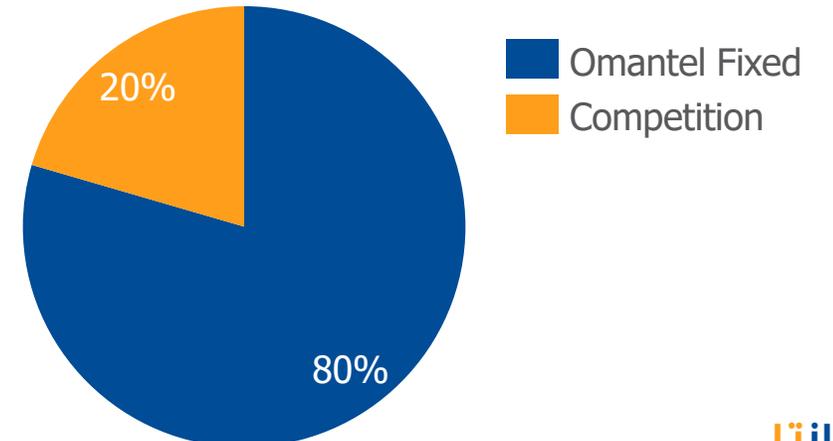
Fixed Subscriber Market share



Mobile Revenue Market share



Fixed Revenue Market share

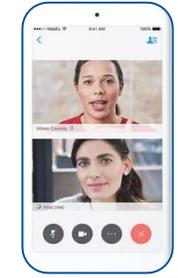
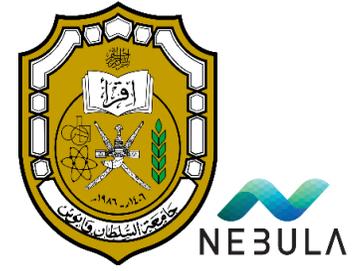


Covid-19: Omantel continue to extend its support as part of its Corporate Social Responsibility and Actions to Aid the Community

Awareness 	Connectivity 	Aid 
<p>Corporate Communication National Day Video Highest viewership on YT with above 2.4 million and positive feedback from our customers</p> <p><u>Eid Video</u> Featured as one of the most successful campaigns on Twitter MENA-Eid song, trending on Anghami for a whole week in the GCC.</p>	<p>6 Months Free Access Microsoft Teams , Webex & Ijtimati</p> <p>Laptop Donation Supported Ministry of Education by providing 555 laptops for low income families</p>	<p>Unlimited International Calls -3 Days free calls to Sudan & Lebanon & activated donation SMSs</p> <p>Agreement signed to provide 11 scholarships for students from families with Social Security</p>
<p>Mass Awareness</p> <ul style="list-style-type: none"> - 5G Positioning Campaign - ICT Covid-19 Solutions - Ideation Program-CSR - 2 Global Carrier Awards for Wholesale - Generation Z, أنت الغد 	<p>Google Classroom Back to School offer in collaboration with MoE & Google</p> <p>CSR – Omantel Coding Program Closure</p>	<p>Free Virtual Clinic Solution The Royal Hospital</p> <p>Donated Bk5000 ultrasound device (first in Oman) to assist the surgeon to locate in The Royal Hospital.</p>
<p>Inclusive awareness Content for hearing & visually impaired users</p>	<p>Door-Door Enablement of ordering through Omantel application, WhatsApp, & delivery door-door upon request</p>	<p>SMS Donation Campaigns Supporting families whose livelihood was affected - Dar Al Atta – Cont. General donation campaign during International Volunteering Day</p>
<p>Consumer Campaign Relevant offers for HBB with 3 videos (البيت بيتي) achieved more than 1.5 million views NEW Hayyak campaign launched towards end of 2020</p>	<p>Onsor Laptop Awareness & sponsorship for the first Omani Laptop</p>	<p>Free Browsing For educational websites</p>

ICT COVID19 initiatives & solutions

- Enabled FreeOfCost **WFH** for **+150** clients and as per choice of Microsoft Teams & Cisco Webex.
- For Health sector we helped **MOH** on many fronts (e.g. Launched Mobile PBX for Central Laboratories), and we launched **Virtual Clinic** (36 Doctors) in RH.
- In Education sector, we helped **SQU** providing Nebua to backup their LMS for 3 months FreeOfCost (~12K OMR)
- partnered with **global leaders** like TechM, Cisco, Microsoft, Siemens to provide tailored solutions responding to COVID-19
- **14** partners were enabled in order to build the ecosystem



Awards

Omantel efforts been recognized by Global Community

Best Data Capacity Provider of the Year
and
Middle East Regional Operator of the Year



Omantel winning
"Leading Corporate for Investor Relations"
And
"Best Investor Relations Professional"

in Oman for the year 2020 by the Middle East Investor Relations Society, Dubai.



Omantel's Procurement and Contracts bagged
EIPM Peter Kraljic Excellence Prize Awards for
"Transformation Leader in Turbulent times" category.



Omantel bagged the
"Happiness at Work" award
for the best employee engagement program in the 3rd edition of Happiness at
Work ceremony organized by Sustainable Minds (Dubai).



Presented by

- Sheikh. Talal Al Mamari, CEO
- Mr. P.G. Menon, Acting CFO & GM Strategic Finance
- Ms. Bushra Al Balushi, IR Officer/ Sr. Manager Planning & Economics

Omantel

Finance Division (Investor Relations)

P.O Box 789, Ruwi, Postal Code 112, Sultanate of Oman

Website: www.omantel.om, Email: investor@omantel.om

Disclaimer

Oman Telecommunications Company (S.A.O.G) has prepared this presentation in good faith for the purpose of Conference call for the Investor community.

These presentations may contain forward-looking statements based on current assumptions made by Omantel Group management. Such statements were only applicable as of the date of the presentation and the Company assumes no obligation to update them.

Users of these presentations should use caution in assessing the current applicability of any such statements and these presentations should not be distributed without the permission of Omantel's concerned authorities.

Q&A