

Oman Telecommunications Co (S.A.O.G)
Board of Directors' Report Third Quarter Results – Year 2021

Respected Shareholders,

We are pleased to present to you a summary of the results of the operations for the 9 months' period ended 30th September 2021.

Operating performance:

REVENUE: Group Revenue for the period ended September 2021 has reached RO 1,802.2 million compared to RO 1,859.2 million for the corresponding period 2020.

Omantel (*Domestic performance*) Revenues reached RO 396.9 million compared to RO 410.1 million for the corresponding period 2020. Revenues growth achieved in Mobile Postpaid and Fixed Broadband have contributed in managing the Margin for the third quarter of 2021, despite a fall in Mobile Prepaid due to challenging market conditions.

EXPENSES: Group's total Operating expenses decreased to RO 1,507.6 Mn compared to RO 1,548.6 Mn for the corresponding period 2020, a decrease of 2.7%.

NET PROFIT. The Group achieved an after tax Net Profit of RO 168.1 Mn compared to RO 167.7 Mn in 2020. After adjusting for minority interest the net profit for the period is RO 48.9 Mn compared to RO 46.3 Mn in 2020.

Oman Domestic operation Net profit for the nine months ended September 2021 stands at RO 54.7 Mn, which is a decline of 2.3% in comparison to Year 2020 performance. Revenues growth achieved in Mobile Postpaid (20.3%), Fixed Broadband (9.8%), while prepaid revenue declined due to challenging market conditions. Continued focus on cost optimization measures has resulted in managing the net profit decline despite the revenue decrease.

Group Earning per Share (EPS) for the period ended September 2021 is RO 0.065 compared to RO 0.062 for the corresponding period of year 2020.

SUBSCRIBER BASE

The total domestic subscriber base as of September 2021 (including mobile and fixed businesses) was 3.303 Mn (excluding Mobile Resellers) compared to 3.286 Mn of the corresponding period of the previous year, recording a growth of 0.5% over the last period. Total subscriber base with mobile resellers reached 3.8 Mn.

Subsidiary Companies:

1) Mobile Telecommunication Company (Zain):

Zain Group revenues recorded a drop of 3.2% and reached *RO 1,413.1 Mn* as of September 2021 compared to the corresponding period revenues of *RO 1,458.2 Mn*. EBITDA stands at *RO 594.3 Mn*, compared to the corresponding period EBITDA of *RO 611.6 Mn* recording a decline of 2.8%. Net profit stands at *RO 180.9 Mn* compared to *RO 182.9 Mn* of the previous period.

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Total customer base of Zain Group decreased by 2.3% to 48.4 Mn compared to 49.6 Mn of the previous period.

Market Share: Omantel's Mobile market share (*including Mobile Resellers*) is 53.6% with a revenue share of 60.1%. The Fixed Telephone (post & pre-paid) market share is 70.3% with a revenue market share of 80.1%.

Thanks and appreciation

We take this opportunity to express our heartfelt thanks to our shareholders and loyal customers for their continued support that enabled us to achieve these excellent results. Also, we wholeheartedly appreciate the sincere contribution of the Executive Management and Employees for the performance in the challenging situation. With your support, we are confident that Omantel will continue its good performance and will be able to reach new heights of excellence.

On behalf of the Board of Directors and the staff, we are honored to greet His Majesty Sultan Haitham bin Tariq on the occasion of the 51st National Day. We pray to Almighty Allah to return this occasion to His Majesty with good health, happiness and long life, and to the Omani people with prosperity under the wise leadership of His Majesty.

CHAIRMAN

Appendix

Group Financial Highlights:

Group Consolidated Performance				
In RO Mn	YTD		Variance	
	Actual'21	Actual'20	In Fig	%
Revenue	1,802.2	1,859.2	(56.9)	(3.1%)
EBITDA	738.1	758.3	(20.3)	(2.7%)
EBITDA %	41.0%	40.8%		
Profit for the period	168.1	167.7	0.4	0.2%
Net Profit %	9.3%	9.0%		
Attributable to Shareholders of the Company	48.9	46.4	2.6	5.6%
Non-controlling Interest	119.1	121.3	2.2	1.8%
Profit for the period	168.1	167.7	0.4	0.2%

Domestic performance

Domestic Performance				
In RO Mn	YTD		Variance	
	Actual'21	Actual'20	In Fig	%
Revenue	396.9	410.1	(13.2)	(3.2%)
EBITDA	143.7	146.6	(2.9)	(2.0%)
EBITDA %	36.2%	35.7%		
Profit for the period	54.7	56.0	(1.3)	(2.3%)
Net Profit %	13.8%	13.7%		