

Ooredoo Q.P.S.C.

Ooredoo Group announced Net Profit of QAR 1.1 billion in 2020 and the Board proposed a cash dividend of QAR 0.25 per share

Customer base increased by 3% to reach 121 million

Doha, Qatar, 14 February 2021: Ooredoo Q.P.S.C. (“Ooredoo”) - Ticker: ORDS today announced its financial results for the year ended 31 December 2020.

Financial Highlights:

	Quarterly Analysis			Full Year Analysis		
	Q4 2020	Q4 2019	% Change	FY 2020	FY 2019	% Change
Consolidated Revenue (QAR m)	7,453	7,950	-6%	28,867	29,916	-4%
EBITDA (QAR m)	2,881	3,183	-9%	12,130	12,847	-6%
EBITDA Margin (%)	39%	40%	-	42%	43%	-
Net Profit Attributable to Ooredoo Shareholders (QAR m)	-342	460	n/a	1,126	1,725	-35%
Customers in million (consolidated)	121	117	3%	121	117	3%

- Revenue declined by 4% year-on-year to QAR 28.9 billion in 2020, due to the COVID-19 pandemic impact, with a reduction in handset sales and roaming business as well as macroeconomic weakness in some of our markets. This was partially offset by growth in Indonesia, Myanmar and Palestine.
- EBITDA declined by 6% year-on-year to QAR 12.1 billion in 2020, impacted by lower revenues and challenging market conditions across most markets. The company maintains its focus on digitalization and cost optimisation, which has been reflected in a healthy EBITDA margin of 42% for FY 2020
- Group Net Profit attributable to Ooredoo shareholders decreased by 35% year-on-year to QAR 1.1 billion in 2020 mainly due to lower EBITDA and one off gains in 2019 from the Indonesian tower sales. In Q4 2020 the Net Profit was negatively impacted by Foreign Exchange losses mainly due to the devaluation of the Iraqi dinar and a one off impairment from an investment
- Data revenues account for more than 50% of total Revenue driven by our data leadership and digital transformation initiatives across the countries we operate in.
- Ooredoo Group maintains healthy cash reserves and liquidity levels, and with a net profit of QAR 1.1 billion, the Board recommends the distribution of a cash dividend of QAR 0.25 per share.

Operational highlights:

- Ooredoo Group expanded its customer base by 3% to 121 million customers, boosted by additions in Iraq, Indonesia and Myanmar.
- Ooredoo Group reinforced its leadership as a digital enabler becoming the first operator to launch prepaid 5G internet in Kuwait, while in Tunisia it registered the fastest 4G mobile data speeds in the country. In Indonesia its network improvements were recognised at the “Opensignal Global Mobile Experience Award”, 2020 with a Global Rising Star award.
- Ooredoo Group launched a number of initiatives to support the communities in most need of assistance during the pandemic public health crisis. In Qatar, it supported frontline workers by providing employees of key Government Ministries with 100GB of free data and 10,000 local minutes. In Indonesia, it distributed masks converted from its merchandise in COVID-19 red zones. In Iraq, in conjunction with the Civil Defence Directorate, it undertook a campaign to sanitise public spaces and in Algeria, in co-operation with the Algerian Red Crescent, it helped distribute hygiene kits, disinfection products and sanitary measure awareness material.
- On 28 December 2020, Ooredoo Group entered into an exclusive and non-legally binding Memorandum of Understanding (MoU) with CK Hutchison Holdings Limited in relation to a potential transaction to combine their respective telecommunications businesses in Indonesia. The exclusivity period for the MoU is valid until 30 April 2021.
- Ooredoo Group appointed Mr. Aziz Aluthman Fakhroo as Managing Director of Ooredoo Group, as of 1 November 2020. Mr. Aziz is a member of Ooredoo's Board of Directors since 2011. The Group also announced the retirement of Sheikh Saud Bin Nasser Al Thani, Group Chief Executive Officer, effective as of 31 December 2020.
- Post period Ooredoo Group signed a five-year, strategic 5G agreement with Ericsson for the supply of 5G equipment as well as related implementation and integration services for all 10 of the Group's operating companies.

Commenting on the results, HE Sheikh Faisal Bin Thani Al Thani, Chairman of Ooredoo, said:

“Ooredoo Group demonstrated the resilience of its operations in 2020, delivering a net profit of QAR 1.1 billion, maintaining healthy cash reserves and liquidity levels, and expanding its customer base despite of the challenging environment. 2020 was a year unlike any other, which disrupted lives and challenged organisations.

I am proud of the role that we played in keeping communities connected and the economy moving. Our focus on innovation and digitisation has enabled us to seamlessly serve our customers through our digital channels while allowing our staff to work from home in a safe and productive manner.

The global pandemic will have a lasting impact on customer expectations and the way people use technology. Ooredoo Group continues to invest in its digital transformation strategy and network capabilities to meet the evolving need of our customers and to help them unlock the true value of new technologies.

I am pleased to announce that the Board of Directors will recommend the distribution of a cash dividend of QAR 0.25 per share at the annual general meeting in 3rd March 2021.”

Also commenting on the results, Aziz Aluthman Fakhroo, Managing Director of Ooredoo said:

"I am pleased to report a solid financial performance across our operations, in spite of the Covid-19 pandemic and the challenging macro-economic environment. Group revenues were QAR 28.9 billion in 2020, down 4% compared to the previous year, due to macroeconomic weaknesses in some of our markets. Throughout the year, we remained focused on our cost optimisation strategy, which enabled us to maintain a robust EBITDA margin of 42% in 2020. EBITDA during the year was QAR 12.1 billion, down slightly from QAR 12.8 billion in the previous year due to the decline in revenues. Net profit for the year declined to QAR 1.1 billion, mainly due to lower EBITDA and to one off gains from the Indonesian tower sales in 2019.

Ooredoo Qatar provided a solid performance in 2020 growing its customer base at strong EBITDA margin, despite a range of challenges caused by COVID-19. Indosat Ooredoo delivered a strong performance with revenues and EBITDA increasing year on year by 4% and 11%, respectively while Ooredoo Myanmar's market leading infrastructure supported an increase in revenues, EBITDA and a 28% increase in its customer base. Ooredoo Tunisia reaffirmed its position as the number one telecom player by customer market share.

Ooredoo Group continues to witness strong demand for its product and services, as demonstrated by the 3% increase in our customer base to 121 million during these challenging times, supported by strong customer growth in Myanmar, Indonesia and Iraq."

Operational Review

Middle East

Ooredoo Qatar

Ooredoo Qatar delivered a solid performance in 2020, despite a range of challenges caused by the COVID-19 pandemic. Reported revenue stood at QAR 7.0 billion (FY 2019: QAR 7.3 billion), down 3% mainly as a result of the pandemic. EBITDA was QAR 3.7 billion (FY 2019: QAR 4.0 billion), 7% below FY 2019, with an EBITDA margin of 52%. Following service disruption during the period, customers were provided with a 50% discount on mobile bills as compensation, impacting Q4 results. Customer numbers were 3.3 million by year-end in line with 2019, with the mobile customer base growing by 1% and the postpaid base growing by 10% compared to Q4 2019.

Support for the community remained a top priority, with extended network and telecom support provided to quarantine centres and hubs across the country. In addition, Ooredoo was also named one of 10 best brands in Qatar in efforts to combat COVID-19.

The company boosted the range of entertainment options for customers, launching an OSN Streaming App with postpaid services, a new version of Ooredoo tv app for Apple tv customers, and introducing Disney+ for Ooredoo ONE and Mobile Plans. The Ooredoo ONE 'All-In-One' Home Service support growth of 1.0% in the OTV customer base compared to Q4 2019. Ooredoo Qatar continues to work with the Ministry of Transport and Communications on the 'Smart Qatar Central Platform,' a key project for Qatar's Vision 2030, making important progress during the year.

Ooredoo Oman

Ooredoo Oman's results were impacted by lockdowns and movement restrictions designed to contain the spread of the COVID-19 pandemic. Revenues declined 7% to QAR 2.5 billion in 2020 compared to the previous year. Consequently, EBITDA for the year declined 10% to QAR 1.3 billion compared to 2019.

Ooredoo Oman's customer base in 2020 was 2.8 million (2019: 2.9 million), as it expanded the coverage of its 5G home broadband to new areas of the Sultanate and introduced new retail and business products like eshop, Pay+ mobile money and 5G business services.

Ooredoo Kuwait

Ooredoo Kuwait's results were impacted by softening macroeconomic conditions as a result of the COVID-19 pandemic as well as intense market competition. The company's revenues declined 10% to QAR 2.5 billion in 2020 compared to the previous year. Sequentially, revenues increased 6% in Q4 2020 compared to the previous quarter, reflecting the initial stages of a recovery.

As a result, EBITDA was down 29% to QAR 617 million in 2020 compared to the previous year. The company remains committed to its cost optimisation program to absorb some of the pressure from the top line.

Ooredoo continued to be an innovator for its customer base of 2.5 million (2019: 2.6 million), becoming the first operator to launch prepaid 5G internet in Kuwait in 2020. The company was recognised by the Kuwait Red Crescent Society which honoured the voluntary role Ooredoo Kuwait employees performed to support society throughout the ongoing pandemic.

Asiacell — Iraq

Movement restrictions designed to stem the spread of the COVID-19 pandemic impacted Asiacell's results, as consumer behaviour shifted and the economic slowdown resulted in reduced spending. The company reported revenues of QAR 4.0 billion in 2020, down 12% compared to the previous year.

Consequently, EBITDA declined 13% to QAR 1.8 billion in 2020 compared to the previous year. However, the company's cost optimisation initiative supported by its digital transformation strategy, contributed to a healthy EBITDA margin of 44% in 2020.

Asiacell's customer base increased 4% to 14.7 million in 2020 compared to the previous year, as the company's digital channels allowed customers to stay connected through the COVID-19 pandemic.

North Africa

Ooredoo Algeria

Algeria continues to suffer from a weak macroeconomic environment, exacerbated by the COVID-19 pandemic, intense price competition and the 5% year on year depreciation of the Algerian Dinar.

Ooredoo Algeria reported revenue of QAR 2.3 billion in 2020, down 10% compared to the previous year. Sequentially, the company recorded revenue growth, reflecting the initial stages of a recovery as movement restrictions eased and commercial activity resumed.

EBITDA declined 14% to QAR 744 million in 2020 compared to last year. Ooredoo Algeria maintained its focus on cost optimisation and implemented a number of initiatives including optimising spend and digital efficiencies.

Ooredoo Algeria's customer base was 12.5 million in 2020 compared to 12.6 million in the previous year.

Ooredoo Tunisia

Despite challenging macroeconomic conditions as a result of the COVID-19 pandemic, Ooredoo Tunisia reported revenue growth of 3% to QAR 1.5 billion, compared to the previous year.

The company reported EBITDA of QAR 650 million in 2020, down 5% compared to 2019, as billing and collection cost increased as a result of a slowing economy. The company's focus on efficiency and cost optimisation supported healthy EBITDA margins of 43% in 2020.

Ooredoo Tunisia's customer base in 2020 was 8.1 million (2019: 9.2 million), reaffirming its position as the number one telecom player by customer market share while the company continued its network dominance by registering the fastest 4G mobile data speeds in the nation.

Asia

Indosat Ooredoo

Indosat Ooredoo delivered a strong set of result in 2020, underpinned by its strategy to offer simple, relevant, and transparent products. The company reported revenue of QAR 7.0 billion in 2020, up 4% compared to the previous year.

The company's investments in digitisation and ongoing cost optimisations supported the expansion of its EBITDA margin to 46% in 2020 compared to 43% in 2019. EBITDA increased 11% to QAR 3.2 billion in 2020 compared to last year.

Indosat Ooredoo's investment in infrastructure, which was recognised at the "Opensignal Global Mobile Experience Award", 2020 where it received the Global Rising Star award, helped support a 2% increase in its customer base to 60.3 million in 2020 compared to the previous year.

On 28 December 2020, Ooredoo Group entered into an exclusive and non-legally binding MoU with CK Hutchison in relation to a potential transaction to combine their respective telecommunications businesses in Indonesia. The exclusivity period for the MoU is valid until 30 April 2021.

Ooredoo Myanmar

Ooredoo Myanmar delivered a robust set of results despite challenging circumstances due to the COVID-19 pandemic. The company's revenue increased 10% to QAR 1.2 billion in 2020 compared to the previous year, mainly driven by an appreciation of the Myanmar Kyat. Growth was also supported by an increase in Ooredoo Myanmar's customer base to 14.7 million in 2020, up 28% compared to the previous year, driven by its digital customer acquisition strategy.

The company continued to implement its cost optimisation strategy, which, along with the increase in revenue, supported a 12% increase in EBITDA to QAR 314 million in 2020 compared to the previous year.

Ooredoo Myanmar's market leading infrastructure supported a significant increase in data traffic in Q4 2020 compared to the same period last year, while its focus on offering a seamless digital experience resulted in an increase in the monthly active users of the My Ooredoo App to 3.2 million.

Ooredoo's FY 2020 financial statements will be available on its website, accessible at: <http://www.ooredoo.com>.

For further information:

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About Ooredoo

Ooredoo is an international communications company operating across the Middle East, North Africa and Southeast Asia. Serving consumers and businesses in 10 countries, Ooredoo delivers the leading data experience through a broad range of content and services via its advanced, data-centric mobile and fixed networks.

Ooredoo generated revenues of QAR 29 billion as of 31 December 2020. Its shares are listed on the Qatar Stock Exchange and the Abu Dhabi Securities Exchange.