

Presentation

Andreas Goldau, Investor Relations:

Okay. I think we are good to start. I see we have around 65 people in the call. (Foreign Language) My name is Andreas Goldau from the Investor Relations team at Ooredoo, and I'm happy to welcome you to our Full-year 2020 Results Call. This is the first time actually that we are doing a call on -- an investor call on Zoom. So fingers crossed that everything works out.

Let me introduce you my fellow speakers. So today, we are joined by Sheikh Mohammed Al Thani, who is the Deputy CEO of the Ooredoo Group and the CEO of Ooredoo Qatar. We got Ajay Bahri, our Group Chief Financial Officer; Andrew Kvalseth, our Chief Commercial Officer; Mark Dowds, Chief Strategy Officer; and Fatima Kuwari, who is the Chief Commercial Officer of Ooredoo Qatar.

I would like to refer you to our presentation and especially the disclaimer there on Slide 2. Also, if you ask any questions later, please be mindful that this call is being recorded. And if you don't want to be seen on this call, don't turn on your camera or leave the call completely, but it will be uploaded on our website later. The presentation is available on our website as well. And Ajay, our Group CFO, will provide more details on the quarter after some introduction remarks by Sheikh Mohammed. Then Andrew will provide you with an update on the Company's digital health. And as always, we will leave ample time for your questions at the end of the session.

So, to begin, then I would like to hand over to Sheikh Mohammed and if I could ask Sarah to share our presentation as well.

Sheikh Mohammed Al Thani, Deputy Group Chief Executive Officer and Chief Executive Officer of Ooredoo Qatar:

Thank you, Andreas. I'm sorry for being late because of technical issues there just to get in. So I would like to just start for a high level of Group results. And as everyone knows and can see from that slide, COVID-19 has really affected -- and the pandemic has affected our all Opcos and operation across where we are. And we have seen -- or you can see here also the revenue has declined by 4% year-on-year. And that's heavily, as I said, a COVID-19 impact. Also, reduction in handset sales and roaming businesses and some others that we will cover later on by Ajay as well.

Also, some macroeconomics weak in some markets, despite the growth, offset by other markets like Indonesia, Myanmar and Palestine. In terms of EBITDA, decline happened as also resulted from a revenue decline, and that's decline of 6% year-on-year. Also, challenging market conditions in our most markets have really affected our EBITDA. We're still making sure that we have a very healthy EBITDA margin at 42% for the year 2022. And we're still having our ongoing program of cost optimization and digitalization that really can enhance and improve healthy EBITDA across all our operations.

When it comes to the net profit, our net profit at Ooredoo decreased by 35% year-on-year. That stands at QAR1.1 billion in 2020. Of course, that also -- lower EBITDA affected the bottom line for 2020, but also compared to last year, there is a gain of one-off that sale of our towers in Indonesia.

Data revenues accounted for more than 50% and really goes in line with our digital strategy and vision for Ooredoo Group and opcos and how we can transform our business and of course that we are operating -- market that we are operating in.

Our customer number has increased by 3%, reaching 121 million. We still have a very healthy cash reserve and liquidity levels. We also say that we have a very good performance on our healthy EBITDA margin that also translated in the bottom line despite some one-off of last year as well as lower EBITDA that affected the bottom line.

Despite all these challenges, our Board recommends a distribution of QAR0.25 per share. Having said that, as I said, this is a glance of viable view of the Group results in 2020. I think, as a telecom or the industry that we are in, we are the least impacted. We have been very resilient. We make sure that we serve our customer across all our opcos to the best service that we can deliver. And I think with that challenging year that we have been through, it has been a very good performance across all our operations.

By that, I would leave the floor for our colleague, Ajay, our Group CFO, to take you through the further details by opcos and operation.

Ajay Bahri, Group Chief Financial Officer:

Thank you, Sheikh Mohammed. Let's move on to the next slide. Revenue and EBITDA. Revenue in 2020 was QAR28.9 billion, down 4% compared to the previous year, primarily due to COVID-19 impact and also partly due to handset sales being lower, roaming business being lower and in addition the macroeconomic weakness in some of our markets. Despite these challenges, we reported positive growth in Indonesia, Myanmar and Palestine.

We maintained cost discipline and focused on delivering efficiencies through digitization during the year, resulting in healthy EBITDA margin of 42% in 2020. However, due to the decline in revenue, EBITDA declined 6% to QAR12.1 billion in 2020 compared to the previous year.

Let's move to the next slide, net profit. Group net profit for the year was QAR1.1 billion, a decline of 35% compared to the previous year, and that was due to decline in EBITDA. And also, when compared to 2019, there was a positive impact last year due to one-off gains from our Indonesian tower sale. We reported a net loss in Q4 due to foreign exchange losses, mainly due to the devaluation of the Iraqi dinar in December and a one-off impairment from an investment.

Let's move to the next slide, capital expenditure and free cash flow. As you will see, the CapEx for the period was stable at QAR5.8 billion, representing a CapEx to revenue ratio of 20%, which is in line with our guidance. We remain focused on optimizing CapEx by taking advantage of Ooredoo Group's economies of scale. An example of this is our strategic 5G agreement with Ericsson for the supply of 5G equipment as well as related implementation and integration services for all 10 group operating companies. We generated a positive free cash flow in 2020 despite the challenging environment due to the COVID-19 pandemic. Cash flow for Q4 was impacted by net losses in Q4, as explained earlier.

Moving on to the next slide, total customers. As you can see, the total customer base increased 3% to more than 120 million in 2020 compared to the same period last year. Growth was driven mainly by strong customer acquisitions in Myanmar, Indonesia and Iraq.

Moving on to the next slide, net debt. We maintained a healthy and well-balanced debt profile and continue to make progress in deleveraging. Net debt declined 3% year-on-year to reach QAR24.1 billion in 2020. Our net debt-to-EBITDA ratio is 1.9 times, which is within our long-term guidance of 1.5 times to 2.5 times and well below our bank covenant of 4.5 times. Group debt remains mainly at constant level, (inaudible) in Qatar, followed by Indonesia and then a smaller percentage allocated to the other opcos. As a reminder, debt at the opco level is kept primarily in local currency.

Moving on to the next slide. As you know, 2020 was an unprecedented year. But despite this, we delivered a healthy set of results. In 2021, we expect to improve Ooredoo run rates in terms of revenue and EBITDA. The expected range of between negative 3% and positive 1%. The actual results will vary depending on COVID-19 developments in our markets. We will continue to invest in our future with CapEx between QAR5 billion and QAR6 billion, allocated primarily for the rollout and maintenance of our 4G and 5G networks.

Let's move on to Slide Number 12 for the operational review of our opcos, starting with Qatar. In the home market, Qatar will continue to lead the way with innovative offerings to provide our customers a seamless digital experience. In 2020, we launched the OSM streaming app for our postpaid customers. And we also launched a new Ooredoo Money Android app. Financially, we were impacted by the global travel restrictions, which negatively impacted our roaming revenues. Revenue declined slightly in 2020 compared to the previous year. This flowed through to the EBITDA. The cost optimization initiatives enabled us to sustain a robust EBITDA margin of 52% during the year. Our customer numbers increased marginally to 3.3 million in 2020, supported by growth in the postpaid segment and Ooredoo TV.

Support for the community remained a top priority, with extended network and telecom support provided to quarantine centers and hubs across the country. In addition, Ooredoo was also named one of the 10 best brand in Qatar in efforts to combat COVID-19. Sequentially, revenue increased 1% to QAR1.8 billion in Q4 2020 compared to Q3 2020, driven by higher handset sales. The EBITDA margin was impacted by a one-off discount for network disruption in November and by the lower-margin handset sales.

Let's move to the next slide, Indonesia. Indosat Ooredoo delivered a robust set of results in 2020, achieving quarter-on-quarter growth for every quarter during the year. Year-on-year revenue increased 4% to QAR7 billion, supported by the launch of our digital brand, IM3, which became the highest-rated telco app in Indonesia. We continue to focus on operational efficiencies, which enabled us to increase our EBITDA margin to 46% in 2020 from 43% in the previous year. And this was despite the COVID-19 impact and price competition by competitors. EBITDA increased 11% in 2020 compared to the previous year. Our customer base showed a healthy growth of 2% for the year, supported by our investments in our infrastructure, which was recognized at the Opensignal's Global Mobile Experience Award 2020, where we received the Global Rising Star Award. Sequentially, revenue increased 5% to QAR1.9 billion in quarter four 2020. EBITDA margin was impacted by timing of marketing spend in quarter four. As already announced on 20th December 2020, Ooredoo Group entered into an exclusive and non-legally binding MoU with CK Hutchison in relation to a potential transaction to combine our respective telecommunications businesses in Indonesia. The exclusivity period for the MoU is valid until April 2021.

Moving on to the next slide, Iraq. In Iraq, our performance was impacted by movement restrictions implemented to manage the spread of the COVID-19 pandemic. Revenues declined to QAR4.02 billion. However, we saw a recovery in voice revenues in second half of 2020, which were heavily impacted during the first half of the year. EBITDA for the period was QAR1.8 billion, representing a healthy EBITDA margin of 44%, supported by our prudent cost controls and efficiency measures. Asia sales customer base increased 4% in 2020 compared to the previous year, as the Company's digital channels allowed customers to stay connected through the COVID-19 pandemic. Sequentially, revenue declined by 1% in quarter four to QAR1 billion. EBITDA margin was impacted by a recording of regulatory fees USF for previous periods. We launched experimental 4G services in late January 2021. Starting 2021, the Company signed with CMC license agreement for \$233 million to renew the Company's license for eight years.

Moving on to the next slide, Oman. Ooredoo Oman continued to invest in its network and launched new digital products for its customers. The extended coverage of 5G home broadband to new areas of Sultanate and introduced new retail and business products like eshop, Pay+ mobile money and 5G business services. Financially, movement restrictions and shrinkage of the expat population in Oman impacted our results for the period. Revenue was down and consequently, EBITDA declined. Cost optimization initiatives and digital transformation supported a healthy EBITDA margin of 53% in 2020. Ooredoo Oman maintained customer base of 2.8 million. Sequentially, revenues declined 1% to reach QAR619 million, which also impacted the EBITDA margin.

Moving on to the next slide, Kuwait. Ooredoo Kuwait's performance in 2020 was impacted like other opcos by COVID-19, a softening of the macroeconomic environment and price competition in the market. The company reported revenues of QAR2.5 billion. EBITDA for the period was QAR617 million, down from previous year as a result of lower revenue. Sequentially, we are starting to see market conditions stabilize as commercial activity picks up following the easing of movement restrictions. Quarter-

on-quarter revenue increased 6% in local currency between Q3 '20 and Q4 '20. However, EBITDA was impacted by year-end provisions for collections.

Ooredoo Kuwait's customer base at the end of 2020 was 2.5 million. Ooredoo Kuwait remains committed to its 5G rollout despite the challenges of COVID-19 pandemic. Along with its network deployment, Ooredoo Kuwait continues to launch new products for its customers, including collaborating with Citrix to offer innovative B2B solutions. We are proud to be recognized by the Kuwait Red Crescent Society, which honored the voluntary role Ooredoo Kuwait employees performed to support society throughout the ongoing pandemic.

Let's move to Slide 17, Algeria. Economic conditions in Algeria deteriorated due to the COVID-19 pandemic, adding to the already challenging market characterized by intense price competition and currency weakness, and the Algerian dinar depreciated 5% year-on-year. Ooredoo Algeria reported revenues of QAR2.3 billion. EBITDA was down 14%. Ooredoo Algeria continued to focus on cost optimization, supporting stable EBITDA margin of 33%. Sequentially, revenues were stable at QAR570 million. EBITDA margin was lower due to higher marketing spend in quarter four and a one-off provisions for taxes and regulatory costs. Ooredoo Algeria's customer base declined to 12.5 million in 2020 compared to the previous year.

Moving on to Slide 18, Tunisia. Ooredoo Tunisia grew its revenue by 3% in 2020 compared to the previous year, despite challenging macroeconomic conditions. EBITDA for the year was QAR650 million compared to QAR682 million in 2019, impacted by increased billing and collection cost, reflecting a slowing economy. Sequentially, Ooredoo Tunisia revenue was stable in Q4, at QAR392 million with some decline in margins due to timing of marketing spend and provisions for collections. Ooredoo Tunisia's customer base was 8.2 million in 2020 reaffirming its provision the number one telecom player by customer market share. Ooredoo Tunisia continued its network dominance by registering the fastest 4G mobile data speeds in the country.

Moving onto Slide 19, Myanmar. Our digital offering continues to be well received in Myanmar with the Ooredoo app increasing its monthly active users to 3.2 million. Our subscriber base increased 28% to 14.7 million in 2020 compared to the previous year. Ooredoo Myanmar reported revenue of QAR1.2 billion in 2020, up 10% compared to the same period last year, supported by favorable exchange rates and increased data consumption, which offset a decline in voice revenues. We continued to focus on the implementation of our cost optimization strategy which along with the increase in revenue supported a 12% increase in EBITDA in 2020 compared to the previous year.

Sequentially, revenues increased 3%. EBITDA for the quarter benefited from lower operating expenses, as well as certain one-off reversals of previous period provisions. At Ooredoo Group, we are closely monitoring the developing situation in Myanmar. The Group has extended its support to Ooredoo Myanmar, which continues to focus on supporting its customers and ensuring the well-being of its employees during this period.

I'll now hand over to Andrew to give an update on our digital strategy.

Andrew Kvalseth, Group Chief Commercial Officer:

Thank you, Ajay. Yes. So we -- a couple of years ago now at the end of 2018 implemented a digital strategy across all of the commercial organizations across each of the countries to make it easy for our customers to find, buy and use our services online. And obviously, we saw back then the global trend and the trend in each of our markets of customers spending more and more of their time online. Hence, we needed our capabilities to catch up with that customer demand.

So we focused primarily on three main areas with a few supporting areas as well, and that's digital marketing, digital sales and digital care. On digital marketing, we had really two missions. Number one was customers were spending more and more of their time on Facebook, Google, Instagram and online platforms, but a lot of our marketing spending was still on traditional media. So step one, we shift our spending to online to a proportion that matches consumer consumption. And then with that spending, a

beautiful thing of digital marketing is obviously that you have a lot of data on what works and what doesn't work. So we can then make our marketing far more ROI-driven. So we put the marketing dollars behind the ads in the media and the channels that have impact. And then, of course, once we show someone one of our ads, we would like them to click on that ad, and we would like to sell them a product online. So that product is a new SIM card or subscription for new customers. Or for existing customers, it's around up-selling them additional products or packages.

And one trend that we saw coming, which made us back in 2018 feel it was imperative to put a big focus on this was, of course, eSIM. And with eSIM, you remove the real need for a customer to go to a shop. So with that, we did a big drive behind digital sales as well.

And then the last piece is, of course, digital care, which means getting people to use our application to change package or to get support or to purchase a new product or anything they would typically go to a store or call our call center for, they now do through the application. And we, of course, had a few internal enablers to support that. We focused heavily on recruiting and building digital talent and teams across our markets, getting in place the right technology and platforms to enable seamless online marketing sales and care. And then, of course, all of this is powered with digital analytics and CVM. And then as a telco, we have an incredible access to data that we can use to make our products and services better for our customers. And I think one of the most important things on that is actually the analytics and the algorithms.

And then finally, we've begun implementing more agile ways of work so that we're able to drive these things in a much more fast manner. And luckily, we began this journey back in 2018, and this gave us the foundation required to really serve our customers well and accelerate when we had to deal with the challenges that COVID brought about. So, that positioned us well, and I think that helped us a lot through this last year of 2020.

So, thank you very much.

Andreas Goldau, Investor Relations:

Excellent. Thank you very much, Andrew and Ajay and Sheikh Mohammed. Just in terms of Investor Relations, the upcoming events, Ooredoo will be presenting at the Third EFG Hermes virtual conference at the beginning of March, and we will announce our Q1 results around the end of April.

Q&A

Andreas Goldau, Investor Relations:

And now we are coming to the Q&A part. (Operator Instructions) Yes. I think we got a question there from Nishit. I put you on voice with this, all right?

Nishit Lakhota, Analyst:

Yes. Thank you so much Andrew and to the Ooredoo management for this opportunity. I have a few questions on the results. First, on the ForEx impact that we see from Iraqi dinar's devaluation in December. I was wondering, other than the translation exposure, do you have any Iraqi dollar-denominated debt? Or what exactly resulted in this ForEx loss in 4Q from Iraqi dinar devaluation? So that's my first question.

The second one is on Myanmar. Now we've seen some pressure on the currency after the coup, and Myanmar's currency strength helped the operations in 2020. So Mark, what's your outlook going forward in terms of after the coup. How things have

changed? And is there any business risk as well, along with the fact that you might see some ForEx volatility coming in the income statement? If I'm not wrong, you have some intercompany loan to Myanmar, right, in dollar terms, that comes as ForEx volatility in your other income? That's my second question.

And third, if there can be more details on this impairment and what exactly has this impairment been done on which asset in the 4Q? And sorry, one more question on the Myanmar itself, it seems you did in well in -- at the EBITDA level, but that -- there appears to be some loss in 4Q at bottom line level before taxes. So what happened below EBITDA in Myanmar in 4Q? Thank you.

Andreas Goldau, Investor Relations:

Thank you very much, Nishit. I think most of these questions can be covered by Ajay. We start with the Iraqi question, the FX impact there.

Ajay Bahri, Group Chief Financial Officer:

Yes, thanks for the questions. The ForEx impact for Iraq is coming at the Group level due to some receivables in terms of dividend upstreaming as if you've followed us for some time, for the past three years, we've been upstreaming dividends. But before that, there was a time when we could not upstream dividends. So some historical dividends have still not been upstreamed. So, they are denominated in equity. So, once we convert that to our base currency, that receivable becomes a smaller number. So that's why you see loss in the books of the Group. At the Iraq level, they don't have dollar borrowing of any significant amount. So that is not the reason for the loss.

As in the case of Myanmar, where they have dollar borrowing from the Group, that's what triggers the loss at Myanmar level. In fact, it's a good segue to Myanmar. So right now, the business is continuing okay. It's early days right now. We are monitoring the situation very closely. Our focus really is to make sure telecommunications services continue and our employees are safe. The FX volatility has been there in this country ever since we had invested there. The current environment can, of course, have an impact on that. This year was good. We had large FX gains during the year. But equally, when the FX becomes weak, it turns into a loss as well. So the volatility, if you look at the last couple of years, a similar volatility can still continue and -- this year, depending on which way the currency would move.

As far as the quarter four is concerned, the EBITDA was positive. But again, in the quarter itself, the FX movement was not as positive. And that's why, for the quarter, you see an impact for Myanmar. But for the full year, the FX was positive for Myanmar. The impairment which has been taken in quarter four, in the details of our financial statement, you can see it, it relates to our investments that we've done in (Technical Difficulty) where we do a period-end evaluation with the auditors and the impact of foreign exchange as well as the continuing economic deterioration over there. And as a result of that, if the carrying value is higher than the valuation of the business, we have to take an impairment. It's a one-off item not expected to repeat going forward.

Andreas Goldau, Investor Relations:

Yes. Thank you very much, Ajay. On the Myanmar outlook?

Ajay Bahri, Group Chief Financial Officer:

I think normally we don't forecast outlook for individual, opcos. We have given you overall guidance for the Group. But of course, Myanmar situation is more volatile. And as things develop on the ground, I think we can talk about these things more in quarter one results.

Andreas Goldau, Investor Relations:

Yes. Nishit, just for your information, the importance of Myanmar to the Group is limited to around 4% of the Group revenue and 2% of the EBITDA.

Okay. Then we have a question from Fatima, I put you on sound as well. You can also type your question if you want to, it's up to you. Maybe she is not ready yet. I hand over to Ziad from Arqaam.

Ziad Itani, Analyst:

Yes, thank you for the presentation. Just a few questions. First of all, with regards to Qatar, can you give us a bit more detail on the network outage you've experienced? How much did it last? And how many users or subscribers did it affect? And is it possible to quantify this impact on revenues and EBITDA for Q4? That's one.

Second question is with regards to Indosat and the talks with Hutchison. Is there a scenario where you would see potentially Ooredoo forego control of the consolidated entity? And how are you looking to achieve this M&A? Is it cash? Could you inject more capital from the parent? Any details on that would be appreciated.

And finally on Iraq with regards to the license renewal, does it come with 4G? And is the Parliament still opposing this? Or it's done? It's ratified? Thank you.

Andreas Goldau, Investor Relations:

Thank you very much for the questions. I think the first one, maybe Sheikh Mohammed, CEO of Ooredoo Qatar, wants to comment. We are not talking about a network outage, it's more of a network disruption, so not as dramatic.

Sheikh Mohammed Al Thani, Deputy Group Chief Executive Officer and Chief Executive Officer of Ooredoo Qatar:

Yes. Thank you, Andreas. So what happened in quarter four, the network outages is an issue that happened to our core network and it was -- honestly it's part of our upgrade and what we are doing as a routine upgrade for our core network. It happened, unfortunately, for sometime. It affected a percentage of our customers. Hopefully, it doesn't (Technical Difficulty) affected full -- entire customer. However, some of our customers have really felt the outages for a certain time. It's really tough for some time over the peak time as well as some of weekend, I do remember. And it took us like for a few days that to restore, and we managed how we can restore our data and customer connectivity or the service back to the customers. So, it happened for some time, honestly. It wasn't a one-off, let I be frank here. We managed to restore that. And I can tell it's part of our routine and planned upgrade, but things happen when a -- surprising things that can happen sometimes for this type of technicality.

When it comes, I think -- the question is about the revenue loss. I think what you have seen in (Technical Difficulty) is the joint of pandemic issue or the pandemic of COVID-19 impacted our performance in top line and also EBITDA. We can tell as well the roaming business affected as well here as well as when we talk about the outage what hit our top line is the compensation that, given for our customer as a token of appreciation and to us 50% of the bills for the postpaid and other benefits also given for the prepaid. So, that amounted for above QAR100 million. So that, in a nutshell, what's happened and what has been given and hitting our top line and bottom line of financial quarter four specifically in Qatar.

I think the second question is about Indosat. I can also cover that. I think what has been publicly announced, still, we are not in a state to have more details about the government and the control stake. It is a nonbinding MoU until 30th of April. That's about Indosat. I don't -- I cannot recall the third question. I can or maybe Ajay can jump in. Can you just tell me what's that third question, please?

Andreas Goldau, Investor Relations:

Yeah, the third question is probably more for Ajay with regards to the license renewal in Iraq.

Sheikh Mohammed Al Thani, Deputy Group Chief Executive Officer and Chief Executive Officer of Ooredoo Qatar:

Okay. So I can answer that. I think we -- as Ajay said, we launched our 4G, and our license has been renewed, and it has been bid. And we are there legally, and we are serving our customer for the latest network, and we have settled this license renewal. I think also Ajay can highlight also more details into other stuff maybe, if that's -- Ajay, please if you want to add something?

Ajay Bahri, Group Chief Financial Officer:

So I think you're right. This is something which has happened post the year-end very recently. And this is just to confirm that the license payment was made. The issue as far as the court case was concerned, the court had finally decided that the CMC, the regulator, had taken the decision correctly after they reissued the decision with the right procedure. And once that court decision was out, after that, only the payments were made. So it's after the confirmation from the court that the CMC decision was fine that the payments were made.

Andreas Goldau, Investor Relations:

Okay. I hope that answers your question, yet, if I may add on Qatar, post the disruption that we had in November, actually, the network in Qatar has been measured by an independent third-party by Ookla as the fastest network in the world. So, that's quite a strong achievement.

Sheikh Mohammed Al Thani, Deputy Group Chief Executive Officer and Chief Executive Officer of Ooredoo Qatar:

Just to add Andreas on that, so our network affected, honestly, mainly our 4G customers. At 3G, we're working very well. As I said, it's part, honestly, of our upgrade. And I can assure that also for copper, since we are hosting also our 2022 event, we have a very long-planned or pipeline of, honestly, upgrading our core network and radio. We are very proud that we launched our 5G, and we are above 90% of our populated area. But also, when it comes to the core, which is very important for our services, we are having a very well-planned upgrade. And that's something we are working very hard to make sure that we are really selling our customer for the basic quality of network and services. And that's something we make sure that we are really serving them and being ready for the big and hosting event of 2022.

Andreas Goldau, Investor Relations:

Excellent. Thank you very much. Yeah. So if you have any further questions, please do raise your hand and then put your question in the chat function or we can give you the microphone. Yeah, there is a question from Ali (inaudible).

Unidentified Participant:

Hi, Andreas and hi team. Thank you for the call. I have just a couple of questions. I mean first on your funding plan for this year. I mean we haven't seen you on the open market for a while. So, as you have like \$1.7 billion due this year, and I know that your liquidity is very strong, I was wondering if you had any plan to tap the open market. I know you have a bond matching tomorrow.

And my second question is about Oman. There is this third player coming in. They just got the license. I mean, Vodafone just got the license in January. I was wondering what's your plan there. I mean, what do you expect in terms of disruption for your operation? And when this third player do you expect them to come to and start operating? And just lastly, very broadly on M&A. I mean, you haven't been doing much on that front. I mean, except, of course, this Indosat transaction that is ongoing. But I was wondering if there is anything in the pipeline that we should expect or that you are working on, broadly speaking. Thank you.

Andreas Goldau, Investor Relations:

Thank you very much, Ali maybe on the funding question, Ajay can start and then we follow up with Oman and the M&A plans.

Ajay Bahri, Group Chief Financial Officer:

Yeah. So the funding's concerned, when our maturities happen or any bond or a loan, we do look at all the options, which includes the debt capital market, the bond market as well as the bank market. So, we proactively look at all our options. And if indeed there is a possible transaction, which is public in nature, definitely, we will announce that. So, we just have to wait and see when we take a decision like that, but we proactively look at our various options for refinancing.

For Oman and Vodafone, launch, of course, is happening for a long time. The company is ready for a potential third operator as far as revenue as in terms of the network digitization, so all those strategies are in place. The date of launch is still not clear. We

understand they've got the license finally. So, we'll have to see maybe end of Q2, potentially. I don't know if Sheikh Mohammed you want to add something to that?

Sheikh Mohammed Al Thani, Deputy Group Chief Executive Officer and Chief Executive Officer of Ooredoo Qatar:

I think that's what you have said. I think you covered this really well Ajay and I totally agree with what you're saying. Nothing to add.

Ajay Bahri, Group Chief Financial Officer:

Thank you Sheikh. For the M&A, of course, our strategy has been to not actively look at expansion as we've said in the past. Of course if some good opportunity comes, we will look at it. Focus in the recent years has been more on looking at in-country opportunities. As we've said in the past consolidation opportunities where they exist and the announcement in Indonesia is in line with what we said in the past. So nothing much more than that to advise at this stage.

Andreas Goldau, Investor Relations:

Thank you very much Ajay. Ali, I hope that answers your questions.

Unidentified Participant:

Yes, thank you.

Andreas Goldau, Investor Relations:

Great. Then we have Nikhil Mishra and I give the microphone to you, if you -- just unmute yourself.

Nikhil Mishra, Analyst:

Thanks for the presentation. Just one question on guidance. So this guidance, if I am correct, is based on a constant currency basis. And if not, can you just give us an idea of what kind of FX rates are you looking at? And something on related terms, can you just give us some idea on how the first 1.5 months across your markets, which markets have done well in the last 1.5 months and which have not done so well? Thank you.

Ajay Bahri, Group Chief Financial Officer:

As far the guidance is concerned, it does take into account expected budgeted currency movements. And for each country, of course, the currency movement is different. We normally look at historical trends, regression analysis and inflation differences, things like that and then have a forecast which we use. But the actuals, of course, can be better or worse than that. That has to be taken into account. So yes, the guidance takes into account budgeted movement in currency. Thus far, the current performance is concerned for Q1, I think we'll have to wait for the Q1 results. Once we announce the results, only then we'll be able to share more details about that.

Andreas Goldau, Investor Relations:

And with regards to the current quarter, unfortunately, we would have to wait until the end of April before we can give you any more details. This call is focusing on the financial year 2020. We can give you some long-term trends. And of course, the market developments are heavily correlated with the COVID-19 developments in our markets.

Nikhil Mishra, Analyst:

Thank you.

Andreas Goldau, Investor Relations:

Okay. (Operator Instructions) Nishit, there's another question from you?

Nishit Lakhota, Analyst:

Yes, thank you again for the opportunity. Yes, thank you again for the opportunity. I have two questions, one on the Oman Telecom dynamics. So it's Ooredoo Oman in anyway in discussion with Vodafone on any level of infrastructure sharing that may happen for the rollout for the third telco? That's my first question.

Second is on the Kuwaiti market. You mentioned that there were some provisions done in the fourth quarter that affected the profitability. So how is the market looking? And do you see some level of stress in the Kuwaiti market? Or this is something that's now behind and the market is looking better from here going forward? Thank you.

Sheikh Mohammed Al Thani, Deputy Group Chief Executive Officer and Chief Executive Officer of Ooredoo Qatar:

Okay. So let me take for the Kuwaiti market and then maybe Ajay answer for Oman. For the Kuwaiti market, as you have seen, Kuwait market has really impacted badly of COVID-19 compared to other opcos. And the reason is there is a quite full lockdown for almost four, five months in 2020. Also, Ooredoo -- or Kuwait market is a very subsidized market, where you can see, I think, you had seen what is regarding your question about the provision, you have seen that really the collections and the provision of the bad debt has really increased because of expat and impacts of expat leaving the country. And that's really affecting your bottom line because of the budget issue.

As well as you might have seen also Ooredoo Kuwait and STC (inaudible) all fully impacted by the pandemic. However, Ooredoo could be a little bit higher or largely impacted because mainly it's a prepaid segment, where it's a lot of expat left the country, and that resulted in a very deteriorated financials or performance in 2020 compared to last year.

Looking forward, honestly, we are quite cautious about Kuwait market. Still there has been lot of measures and rumors about another lockdown in the country. And we are monitoring the situation and closely and you will see how things evolve or happening in quarter one and you will have, I think, better a view in two-month time about 2021 lockout.

To you Ajay.

Ajay Bahri, Group Chief Financial Officer:

Thank you Sheikh for the update. Coming to Oman, you're right, there are opportunities when third operators come in for national roaming, infrastructure sharing. So all those opportunities are there, and the possibility of that in discussions obviously are ongoing, but nothing further to advise on that until there is some conclusion on those discussions and opportunities. But you're right, those opportunities do exist.

Nishit Lakhota, Analyst:

Okay, thank you

Andreas Goldau, Investor Relations:

All right. Then we have a couple of questions which came via the chat function. Some of them have already been answered, but I'll just read them out.

So we discussed the asset impairment, but there was a question from Omar Maher from EFG, is the main driver for the -- is Myanmar currency the main driver for the QAR199 million FX loss in Q4?

Ajay Bahri, Group Chief Financial Officer:

The Q4 loss is primarily coming from the Iraqi dinar depreciation, which we explained earlier was related to a dividend receivable from there.

Andreas Goldau, Investor Relations:

Then an interesting question, can you provide a ballpark figure for the expected revenue benefit from the World Cup next year? How are the preparations progressing from your side?

Sheikh Mohammed Al Thani, Deputy Group Chief Executive Officer and Chief Executive Officer of Ooredoo Qatar:

I think it's premature to tell the amount or whatever that can be expected from the World Cup. But however, I can assure you that we are very proud to be -- Ooredoo the telecom partner for the World Cup and the Committee of 2020. We're also the technology partner for the stadium and being a solution provider for smart stadium. And we are very optimistic about the opportunity that given and the economy that's evolving because of this big event hopefully shall happen.

Andreas Goldau, Investor Relations:

Thank you very much. I know Omar is a bigger football fans, so congratulations again on (inaudible) in the FIFA Club World Championship.

Then we had a question on -- coming to the international bond markets and the Myanmar updates, a question from (inaudible), but I think the questions were very similar to what Ali has been asking and covered already. So, if you have any additional questions, please raise your hand or chat them. There's actually a question from Ziad from Arqaam. And he is asking about the avenues going forward in terms of mobile monies, remittance, micro finance. What are the ICT components, data centers, Internet of Things? Any talks, plans for tower sales and leaseback?

Sheikh Mohammed Al Thani, Deputy Group Chief Executive Officer and Chief Executive Officer of Ooredoo Qatar:

I think I can take this. Today, we are -- in a Group level we are having our (inaudible) project and one of the pillars that we are talking about honestly digital and MFS. And that's where -- I think, can address the mobile money and the revenue or avenues for growth through digital services. That is still also we are in a planning phase and how we can mature that across our opcos. We have different opcos, different regulatory regime and also capabilities to have this up and running. When it comes to the ICT data centers, also that part -- and I can link it also to the infrastructure.

This is also one of our pillars about infrastructure portfolio and how we can look into our -- across all our opco infrastructure from a tower data center, fiber and how we can honestly advance our talk maybe with such investor and having maybe a transaction on this stuff that can be also taken as a note of growth or revenue driven for our operation.

However, this is still early in talk, and it's taken time, despite honestly, we have seen a very advanced level of tower sales in Indosat that happened last year. And also, there is a talk ongoing. Also, there is another market that quite advanced a couple of markets in the region, still not -- cannot give more details on that, but we are looking into this very seriously about carving out some infrastructure that depends on the regulatory aspect of each market that we are in.

Andreas Goldau, Investor Relations:

Thank you very much Mohammed. Any further questions? If not, then I would like to thank you all for joining today's call. Please refer to the Ooredoo Investor Relations website for additional updates.

Follow us on Twitter, at OoredooIR or feel free to contact the Investor Relations team at any time. We look forward to your future participation in our next update sometime around the end of April.

Meanwhile, again, thank you very much for your continued interest in Ooredoo.

Thank you. Bye.