

Ooredoo Q.P.S.C.

Ooredoo Group announced Net Profit of QAR 193 million in Q1 2021

EBITDA increased 6% to QAR 3.2 billion

Doha, Qatar, 28 April 2021: Ooredoo Q.P.S.C. ("Ooredoo") - Ticker: ORDS today announced its financial results for the quarter ended 31 March 2021.

Financial Highlights:

	Quarterly Analysis		
	Q1 2021	Q1 2020	% Change
Consolidated Revenue (QAR m)	7,197	7,295	-1%
EBITDA (QAR m)	3,213	3,023	6%
EBITDA Margin (%)	45%	41%	-
Net Profit Attributable to Ooredoo Shareholders (QAR m)	193	387	-50%
Customers in million (consolidated)	118	118	0%

- Marginal year-on-year revenue decline of 1% to QAR 7.2 billion in Q1 2021 due to a negative FX impact. Despite the COVID-19 pandemic **excluding FX impact, revenue increased by 1%**, mainly driven by growth in our home market Qatar and in Indonesia.
- EBITDA increased by 6% year-on-year to QAR 3.2 billion in Q1 2021, as the company maintains its focus on digitalization and cost optimisation. EBITDA margin increased to 45% in Q1 2021 from 41% in Q1 2020, supported by EBITDA margin expansion in Indonesia, Kuwait, Iraq and Myanmar. **Excluding FX impact EBITDA increased by 9%**.
- Group Net Profit attributable to Ooredoo shareholders decreased by 50% year-on-year to QAR 193 million in Q1 2021 mainly due to Foreign Exchange impact coming from Myanmar with an FX Loss in Q1 2021 versus an FX Gain in Q1 2020. **Excluding the FX impact the Net Profit increased by 120%**.
- Data revenues account for more than 55% of total Revenue driven by data leadership and digital transformation initiatives across our operations.

Operational highlights:

- On March 30, 2021 Indosat Ooredoo signed a sale and leaseback agreement with PT EPID Menara Asset Co (“Edge Point Indonesia”) for more than 4,200 telecommunications towers. The transaction, which is valued at approx. USD 750 million, forms part of Ooredoo Group’s strategy to move to a more efficient and flexible asset-light model. The transaction is expected to close in Q2.
- Ooredoo Group appointed new CXOs as of 8 March 2021: Abdulla Ahmad Al Zaman as Group Chief Financial Officer, Fatima Sultan Al Kuwari as Group Chief Human Resource Officer, Nigel Thomas Byrne as Group Chief Technology Information Officer (GCTIO) and René Werner as Group Chief Strategy Officer.
- Ooredoo Qatar appointed new CXOs as of 8 March 2021: Sheikh Nasser Bin Hamad Al Thani as Chief Commercial Officer, Eman Mubarak Al Khater as Chief Human Resources Officer and Eisa Mohammed Al-Mohannadi as Acting Chief Financial Officer.
- On 22 March 2021, Ooredoo Oman accepted the resignation of its CEO, Ian Dench effective as of 30 June 2021. The appointment of the new Ooredoo Oman CEO will be announced in due course.
- On April 28, Ooredoo Group extended the exclusivity period of the non-legally binding MoU with CK Hutchison to Jun 30, 2021, in relation to a potential transaction to combine their respective telecommunications businesses in Indonesia. This extension will provide more time to complete the ongoing due diligence and negotiate the final terms of a possible combination of the entities.
- Ooredoo Group successfully priced its USD 1 billion issuance of senior unsecured Reg S/Rule 144A notes. The Notes will mature on 8 April 2031 and will have a coupon of 2.625% per year. The transaction was priced at a spread to the 10-year U.S. Treasuries of 103.4 basis points. Net proceeds from the sale of the Notes will be used for Ooredoo’s general corporate purposes, including refinancing of its existing debt.
- On 19 April 2021, Ooredoo QPSC entered into a new USD 500 million Revolving Credit Facility (RCF) with a consortium of 11 banks. The RCF will mature on 19 April 2026 and will be used for Ooredoo’s general corporate purposes. In addition, Ooredoo, on 14 April 2021, exercised its right to prepay and cancel in advance a USD one billion Revolving Credit Facility (RCF) with original maturity date in June 2022.
- Ooredoo published its **first ESG report**, available only as softcopy on our website

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

“Ooredoo Group delivered a robust set of results during the first quarter of 2021 despite challenging market conditions across many of our territories. We remained focused on our digital transformation agenda which has enabled us to create value for our customers by offering a seamless and convenient user experience as well as optimise our cost base by streamlining and automating processes. Consequently, our EBITDA margin improved to 45% in Q1 2021 compared to 41% for the same period last year.

We made good progress with our strategy to move to a more efficient and flexible asset-light model with the successful sale and leaseback agreement valued at USD 750 million for more than 4,200 of our telecom towers in

Indonesia to Edge Point Indonesia. Monetising these assets forms an integral part of our group strategy to create value for both our shareholders and customers.

During the quarter Ooredoo Group successfully priced its USD one billion bond issuance, reflecting the market's confidence in the strength and stability of our balance sheet as well as our strategy to deliver new and innovative solutions to our customers by leveraging our world class technology and infrastructure."

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

"I am pleased to report that Ooredoo Group had a solid start to the year, despite challenging market conditions due to the COVID-19 pandemic. Ooredoo Group delivered a 6% increase in EBITDA to QAR 3.2 billion in Q1 2021 compared to the same period last year. The growth was driven by the ongoing implementation of our cost optimisation strategy which includes leveraging technology to drive efficiency. As a result, our EBITDA margin for the period increased to 45% in Q1 2021 compared to 41% for the same period last year, supported by margin expansion in Indonesia, Kuwait, Myanmar and Iraq.

Revenues remained under pressure due to a soft macroeconomic environment in many of our markets. Ooredoo Group reported revenues of QAR 7.2 billion during the first quarter of 2021, down 1% compared to the same period in the previous year. Net Profit decreased by 50% to QAR 193 million in Q1 2021 compared to the same period last year, mainly due to Foreign Exchange impact primarily coming from Myanmar with an FX Loss in Q1 2021 versus an FX Gain in Q1 2020.

Indosat Ooredoo continued to make strong progress with its strategy of offering simple, relevant, and transparent products supporting a 13% increase in revenue and a 36% increase in EBITDA. Ooredoo Kuwait increased its EBITDA margin to 28% in Q1 2021 compared to 25% Q1 2020 and Ooredoo Qatar's revenue increased slightly compared to Q1 2020.

Ooredoo Group invests further in its infrastructure to bring world class services to its customers. During the quarter Asiacell launched 4G in Iraq and Ooredoo Oman is preparing for the launch of mobile 5G services in Q2 2021."

Operational Review

Middle East

Ooredoo Qatar

Ooredoo Qatar saw positive growth during the period, with reported revenue growing 0.6% year-on-year to QAR 1.8 billion (Q1 2020: QAR 1.8 billion). EBITDA stood at QAR 962 million (Q1 2020: QAR 966 million), while EBITDA margin remained stable at 54% (Q1 2020: 55%). Total customer numbers were 3 million (Q1 2020: 3.2 million).

Ooredoo Qatar continued to work with a range of content providers to expand the home entertainment options. The Ooredoo ONE 'All-In-One' Home Service was a key factor in the growth of the Ooredoo tv customer base, which grew by 1% compared to Q1 2020. New products launched during the period include a new customisable app-managed postpaid plan and a revamped version of the Ooredoo Money app.

The company was recognised as 'Global Partner of the Year' and 'Digital Partner of the Year' by leading money transfer company MoneyGram. Successful community programmes included the Ooredoo Virtual Marathon, which drew a strong response in February 2021.

Ooredoo Oman

Ooredoo Oman's performance was affected by economic conditions, increasing competition in the prepaid segment and the COVID-19 impact. Revenues declined 4% to QAR 610 million in Q1 2021 compared to the previous year, driven by a reduction in prepaid revenue which was partially offset by post-paid revenue gains.

Consequently, EBITDA declined 12% to QAR 314 million during the first quarter of 2021 compared to the same period in the previous year. The company remains committed to managing its overall cost structure.

Ooredoo Oman's customer base increased by 2% of 2.9 million in Q1 2021 compared to the same period in the previous year, as the company prepares to launch 5G mobile services in Q2 2021.

On 22 March 2021, Ooredoo Oman accepted the resignation of its CEO, Ian Dench effective as of 30 June 2021. The appointment of the new Ooredoo Oman CEO will be announced in due course.

Ooredoo Kuwait

The COVID-19 pandemic contributed to a softening macroeconomic environment in Kuwait, impacting Ooredoo Kuwait's performance during the period. The company's revenues declined 8% to QAR 607 million in Q1 2021 compared to the previous year. EBITDA for the period increased 2% to QAR 169 million, compared to the same period in the previous year, supporting an increase in EBITDA margin to 28% in Q1 2021 from 25%.

Recognising the company's long-standing commitment to its customers, Ooredoo Kuwait was awarded the "Best Internet Service Provider" at the annual Service Hero Awards for the year 2020. The company remained focused on launching new and innovative products for its customers, signing an MoU with the National Bank of Kuwait (NBK) to develop digital services, products and solutions that contribute to enriching customer experiences. Ooredoo Kuwait's customer base in Q1 2021 was 2.4 million (Q1 2020: 2.5 million).

Asiacell — Iraq

The Iraqi economy was impacted by weakening purchasing power following the 17% devaluation of the Iraqi Dinar and the effect of the COVID-19 pandemic. Asiacell reported revenue of QAR 852 million during the first quarter of 2021 compared to QAR 1,085 million for same period in the previous year. Consequently, EBITDA declined 20% to QAR 380 million in Q1 2021 compared to the same period in the previous year. The company's cost optimisation initiatives contributed to a healthy EBITDA margin of 45% in Q1 2021.

Asiacell maintained its customer base of 14.6 million (Q1 2020: 14.5 million), supported the launch of 4G and new partnerships with OSN and LaLiga, enabling the company to offer bundled services and increase data usage.

North Africa

Ooredoo Algeria

Ooredoo Algeria delivered a healthy set of results during the first quarter of 2021, despite a challenging macroeconomic environment. In local currency terms revenues increased 2% in Q1 2021 compared to the same period in the previous year, supported by the bundling of offers in the “My Ooredoo” App and the launch of plans targeting SOHOs and SMEs. Consequently, an EBITDA margin of 34% has been maintained.

In Qatari Rial terms, the company’s performance was impacted by the 9% year on year depreciation of the Algerian Dinar. Ooredoo Algeria reported revenues of QAR 551 million during the first quarter of 2021 compared to QAR 594 million for the for the same period in the previous year. EBITDA for the period was QAR 188 million, a decline of 6% compared to the same period in the previous year. The company maintained an EBITDA margin of 34% as it focused on cost optimisation and implemented a number of initiatives including optimising spend and digital efficiencies.

Ooredoo Algeria’s customer base was 12.7 million in Q1 2021, up 3% compared to the same period in the previous year.

Ooredoo Tunisia

Despite the COVID-19 pandemic continuing to impact the macroeconomic environment in Tunisia, Ooredoo Tunisia reported revenues of QAR 394 million in Q1 2021, an increase of 3% compared to the same period in the previous year supported by favourable FX trends. The company remains focused on the implementation of its value creation plan which includes expanding its digital proposition and streamlining its operations through the digitisation of its sales and distribution channels.

The company reported EBITDA of QAR 162 million in Q1 2021, down 3% compared to the same period in the previous year. The company’s focus on efficiency and cost optimisation supported a healthy EBITDA margin of 41% in Q1 2021.

Ooredoo Tunisia changed the reporting of its prepaid customer’s base from the original life-cycle definition to the 90 days network activity definition, to align with the standard reporting methodology used in Tunisia. As a result, Ooredoo Tunisia’s reported customer base declined by approximately 2.3 million to 6.9 million customers in Q1 2021. There is no impact on the reported financials.

Asia

Indosat Ooredoo

Indosat Ooredoo reported an excellent set of results in the first quarter of 2021, maintaining the positive momentum from the previous year. Indosat Ooredoo’s revenue increased by 13% to QAR 1.9 billion during the first quarter of 2021 compared to the same period last year. Growth was driven by the strong performance in cellular revenues supported by a rebound in the enterprise business.

Indosat Ooredoo’s EBITDA increased to QAR 956 million in the first quarter of 2021 up 36% compared to the same period in the previous year, due to a combination of top line growth and cost efficiencies.

Supported by its strategy of offering simple, relevant, and transparent products and its network investments Indosat Ooredoo’s customer base increased 7% to 60.0 million in Q1 2021 compared to the same period in the previous year.

Indosat Ooredoo signed a sale and leaseback agreement with PT EPID Menara Asset Co (“Edge Point Indonesia”) for more than 4,200 telecommunications towers. The transaction is valued at USD 750 million and forms part of Ooredoo Group’s strategy to move to a more efficient and flexible asset-light model unlocking the trapped value of its infrastructure portfolio.

On April 28, Ooredoo Group extended the exclusivity period of the non-legally binding MoU with CK Hutchison to Jun 30, 2021, in relation to a potential transaction to combine their respective telecommunications businesses in Indonesia. This extension will provide more time to complete the ongoing due diligence and negotiate the final terms of a possible combination of the entities.

Ooredoo Myanmar

Political developments in Myanmar including restrictions on mobile and wireless broadband impacted Ooredoo Myanmar’s performance in Q1 2021. The company’s priority during this period of emergency was to keep its customers connected by offering an extensive range of affordable voice products.

Ooredoo Myanmar reported revenues of QAR 252 million during the first quarter of 2021, a decline of 11% compared to the same period last year, as restrictions impacted data revenues which were partially offset by an increase in voice revenues. The company continued to implement its cost optimisation strategy which included optimising data centres and energy consumption as well as contract renegotiations supporting a 12% increase in EBITDA to QAR 56 million in Q1 2021 compared to the same period last year.

Ooredoo Myanmar also launched a number of initiatives to support the community including its “donate a recharge” program where customers who have an extra balance can donate it alongside Ooredoo Myanmar, which donates MMK 5 million daily to customers who need a top-up. The company’s customer base decreased by 14% to 13.4 million in the first quarter of 2021 compared to the same period last year.

Ooredoo’s Q1 2021 financial statements will be available on its website, accessible at: <http://www.ooredoo.com>.

For further information:

Email: IR@ooredoo.com

Follow us on Twitter: [@OoredooIR](https://twitter.com/OoredooIR)

- Ends -

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.

