Andreas Goldau, Investor Relations:

Good afternoon and welcome to Ooredoo Q2 2022 Investor call. My name is Andreas Goldau and I'm in charge of Investor Relations. Let me introduce my colleagues – our main speakers are Aziz Aluthman Fakhroo, Managing Director and CEO of Ooredoo Group and Abdulla Al Zaman, Group CFO. We are also joined by Rene Werner our Chief Strategy Officer and Eyas Assaf our Deputy CFO.

The presentation begins with our strategy and vision, followed by key financial highlights and consolidated results presented by our Group CEO Aziz of then the OPCO section will be covered CFO Abdulla. We will keep the presentation short to allow sufficient time for your questions. The presentation is available on our website at ooredoo.com as well as on this webcast. The recording and transcription of the session has started now. So by attending this meeting you consent to be included in that and please do note the disclaimer on slide number 2. And to begin I hand over to Aziz.

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

Good morning everyone and thank you for being with us for this Q2 results and as a one as well as, first half-year results. As Andreas mentioned we are following the same presentation structure as last quarter. We will give you a quick highlight of our strategic pillars, just to recap, to repeat, we have 5 strategic pillars for this year was value creating portfolio, the other one is excellence in customer experience, strengthening the core evolving the core and then people. If you remember last quarter, we took a quick snapshot into value-creating portfolio with our FinTech and the MFS business today something which is actually extremely important and the change of mindset, we are actually focusing a bit on customer experience.

Historically Ooredoo as a whole has had a general mindset as what I would qualify as an incumbent approach with technology first mindset, this year it is a clear shift where we're really positioning as customer experience and customer first mindset and it's not just saying it, it's really implementing it. One of the first step we've done is we've implemented voice of the customer, monitoring tracking and unifying KPIs across every single OPCO and that is a first, we've done this in partnership with the leading company and service Qualtrics. We've also historically been measuring CSAT across 7 of our OPCOs. As stated, as of today in 2 OPCOs we are ranked number one, in 4 OPCOs we are ranked number 2 and in one OPCO we are ranked number 3. It's a decent picture, our goal and our stated goal is to be number one in customer experience in all markets we operate.

As I said, it's a really a strong mandate from the top and embraced by the whole management as a reflection of this actually CX targets and KPIs are implemented in all scorecards of the management of each OPCO as well as the Group - they actually represent 15% of the total weighting. This has already yielded fruits. So if we look between the beginning of the year to the first half, the last CSAT measuring we've seen significant to general improvement in 6 out of 7 OPOCs, so we're very happy with this. Against we will do a deeper dive into our customer experience during our Capital Markets Day.

To the financial achievements slide.

Yes perfect, we're very happy to continue the very strong performance we've been having for the last 18 months. We are seeing growth in revenue of 4% Y-o-Y. We're seeing EBITDA growth of 2% Y-o-Y (I think the 4.5bn Riyals). We are seeing EBITDA margins stable at 41% and a Capex intensity at 9%. Free cash flows are up 10% and net profit is up 43%. I'll dive in the bit more details for each of these sections. Just to reiterate, this is proforma. So as you remember, at the beginning of this year we merged our Indosat operation now it's called IOH and it's held as a joint venture company and in the proforma we excluded it from the Y-o-Y comparison.

We can go to the next slide.

So these are the actual numbers in terms of performance compared to last year. What you will see a significant drop in revenue and EBITDA, and this is due to the fact that last year we used to consolidate what was our second largest operation, which is Indosat.

In terms of Q2, it's the same trend as first half, revenue is up 3% Y-o-Y for Q2 alone. EBITDA is up 2% for Q2 and Y-o-Y alone. EBITDA margin again is unchanged, Capex intensity is minus 3 points at 11%, free cash flow is up 13%, net profit is up 37%, our net debt to EBITDA is stable at 1.3x and our customer base is at 55 million down by 6%.

Next slide.

So this is the detailed breakdown we've been providing everyone recently. What you see is the general proforma performance of our revenue. What you will note is that in every single operation in local currency we are actually up we have experienced growth in local currency in every single market. Actually Algeria was up by 4% and Tunisia was up by 1%. We have is a slight drop in Qatari Riyals results for both Algeria and Tunisia and this is driven mainly by depreciation of the currency in their respective markets.

Group revenues, as mentioned before have increased by 3% for the second quarter. In the other sections what you see is an increase versus last year, this is mainly driven by our subsidiary Starlink which is held by Ooredoo Qatar – the device retail and equipment business. The main growth across all OPCOs is coming from mobile data. Mobile data has grown by 12% across the group.

Same picture in terms of EBITDA, we've seen improvement across most of the OPCOs, Tunisia and Algeria currently impacted by currency. We see also a slight performance drop in Iraq. This is mainly due to the cost of energy which has gone up by 14%. I'd like to remind you that Iraq doesn't have fully sustainable grid and lot of our equipment is powered by diesel generators and therefore we are quite sensitive to fuel cost. There is also a bit of additional spending for the World Cup preparation and Qatar. This is one-off spending. Just as a reminder, Qatar is a country with a population of around 2.7 million people and our network is generally geared towards that kind of capacity for one month's period, we will have visitors between 1 and 1.5 million. This is a significant strain on our network therefore we had to put in place additional redundancy to ensure that we can deliver an exceptional performance for that event.

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So here we decided to show you a bit more breakdown, given that you've asked many question on what are the adjustments we're doing in terms of normalization. So if we look at first half 2022 reported versus our first half 2022 normalized, we have the adjustment of 97 million (this is FX) and we have a positive adjustment from the datacenter sale gain in Indonesia of 245million. This explains the adjustment of minus 148 million for the first half of this year. If we look at last year's adjustment, we had an impairment loss of Myanmar - we took a 750 million dollar write-off and we had approximately an FX impact of 545 million across all operations, and a one-off gain from the towers sale in Indonesia, which gave us a normalized H1 of 930 million net Profit.

So now if we go to a comparison what we see from a normalized scale is that we've grown our net profit by 43%. This is mainly driven by a reduction in depreciation given the total write-off of Myanmar last year that accounted for close to 235 million improvement in net profit.

Similarly, we are showing you here in the bridge for the adjustment from Q2 reported versus Q2 normalized FX represented 75 million and again the data centers recorded in this quarter 245 million one-off gain. So that brings us from 816 million to 649 million.

When we look at 2021, the adjustments we did were the impairment in Q2 for Myanmar, FX impact for that quarter only represented 281 million, and the towers sale happened in Q2 with a one-off gain of 1 billion so we have a normalized net income of 472 million. Now, if we compare normalized to normalized, It's a 77% gain. Again, the majority of the uplift is coming from the reduction in depreciation and amortization, mainly from Myanmar.

In terms of proforma Capex, we are in line with our guidance and actually slightly lower due to seasonality - a lot of the Capex happens in second half of the year, but we're still in line with our target. What you'll see is that we have two operations which had significantly increased Capex versus last year - one is Palestine and the other one is Algeria. Both were driven mainly by the same thing - orders of last year due to customs and imports and logistics strains which were shifted from last year to this year. You will also see a significant drop in Capex versus year in Iraq, Oman and Kuwait. In Iraq as you remember, we launched 4G at the beginning of this year, so last year we had a significant ramp up for 4G equipment. Kuwait and Oman had quite a significant 5G ramp up and Oman had a one-off Musandam project which was a datacenter last year, and that explains the general reduction.

Free cash flows in line with both topline roof and the Capex, what you see is that we've increased our free cash flow by 10%. Our free cash flows are up in all operations except, again, Tunisia and Algeria and this is mainly due to the currency depreciation and Palestine, which has a slightly negative free cash flow due to the Capex profile which we've explained before.

Our customer base is down 6%, the main driver to the 6% is the 5.5 million drop in customer base in Myanmar. This is due to a couple of instances as you remember, there was some political instability and a coup d'etat there, the regime has installed a $11 SIM tax and taxes for recharges which has caused across all operators a significant drop in subscribers. It's a market where people who used to dual-sim, triple-SIM and new tax has driven people to reduce the number of SIMs they're using and therefore there is a 5.5 million drop in customer base. That being said, ARPUs increased respectively in Myanmar. Tunisia, which we're seeing in the 340,000 drop in subscriber base and that's from a clean-up of our subscriber base of idle subscribers and rectification. In all other markets we experience growth in our subscriber base. Just as a note, if we add our Indonesia subscriber base, we're actually close to 150 million total subscribers.

As for group results, we reiterate our guidance given the outperformance for the first half, you might find our guidance conservative we're confident that we will probably reach the upper end of our guidance. The reasons why we're keeping the guidance in terms of revenue and EBITDA similar and not adjusting is there are quite a few uncertainties in the markets we operate – on is currency and the other one is inflation in terms of fuel and energy cost. As for Capex, we're confident that we'll hit probably the lower end of our guidance.

For Indonesia, we advise you to go and see the detailed presentation of our IOH performance, the general statement is that the merger is going extremely well and we are on track to deliver the synergies and the performance that we guided to at the beginning of the merger, and we're very happy with the presentation and the performance of IOH - we invite you to go see the results presentations which is happening tomorrow.

On Debt profile slide, what we can see is our debt profile hasn't changed, we still have a very strong cash position, a very low net debt to EBITDA was 1.3x. I think in the current environment, the key area of focus is what's the amount of variable rate debt, which we have versus the amount of fixed debt - you will see that 86% of our debt profile is fixed, only 14% is floating and that's nearly mitigated by the cash reserves we have, which also benefits from higher deposit rates as rates increase. I think this slide is self-explanatory. Now, I'll hand over to Abdulla Al Zaman who will get you through a detailed review of each OPCO performance.

Abdulla Al Zaman, Group Chief Financial Officer:

Thank you, Aziz. I will now review the first half results for all our operations.

In our home market of Qatar, revenue grew 3% year on year, driven by mobile, fixed, Fintech, and ICT. Service revenue was up 5%. We reported a healthy EBITDA margin of 51%, with a slight decrease in EBITDA by 1% due to the World Cup preparation, as Qatar gets ready to host an additional 1 to 1.5 million people. The Qatari economy is benefitting from higher gas prices, and our customer base was up by 5% to 3.2 million

During the quarter, Ooredoo Qatar signed an MoU with Siemens and Microsoft at the Smart City Expo, and Ooredoo Money signed a partnership with Thunes, a global cross-border payments platform headquartered in Singapore, to offer real-time money transfers to multiple international mobile wallets – all of which further demonstrates the company's commitment to providing seamless customer experience.

Ooredoo Kuwait reported strong growth with revenues up 13% driven by the mobile business and higher equipment sales in an overall improving economy due to the higher oil prices and lower Covid-19 impact. EBITDA increased by 17%.

The Company's customer base increased 2.6 million, up 14% year on year.

This past quarter, Ooredoo became the first telco in Kuwait to obtain a license for cloud computing services, and the company applied for a digital bank license as part of a consortium.

Additionally, the company launched the 'Fastest 5G network in Kuwait – Speed as it should be' campaign.

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In local currency terms, Ooredoo Algeria reported an increase in revenue and EBITDA of 4% and 6% respectively, driven by higher mobile revenue. Reported revenue, as Aziz mentioned, was down due to currency depreciation. Customer base increased to 12.9 million, up 2%.

In Q2, the Company started an ambitious program of increasing its fibre footprint by over 30% in a year.

Testament to its excellent customer service and employee initiatives, Ooredoo Algeria was certified as a 'Best Place to Work' for 2022 and has won multiple awards for their 'Yooz' product.

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In local currency terms, Ooredoo Tunisia's revenue increased by 2% and EBITDA by 7% due to a higher mobile data revenue both in the consumer and B2B segment. Due to currency depreciation of 8%, reported revenues declined slightly.

Tunisia's customer base remained stable at 6.9 million.

Happy to report that we successfully launched new digital product, called "DO. 2.0" (digital offer), a new hero product in OT portfolio with more content, VOD, and gaming.

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Asiacell reported a 3% increase in revenue year on year, driven by its data business, B2B segment and 4G+ launch earlier this year. EBITDA dropped due to higher cost for energy, electricity and leased lines. Despite intense competition, Asiacell's customer number increased by 13% year on year to 16.3 million. The Company extended 4G coverage to 100% of its sites and upgraded the network with enhanced data speed to 4G+.

Ooredoo Oman’s revenue increased year on year by 2%, due to growth in wholesale and higher devices sales, with a corresponding EBITDA margin increase to 53%.

Overall, the economic outlook in Oman is looking positive, as it improves with the higher oil prices.

The Company continues to roll out 5G and expand FTTH, and customer numbers increased by 3%. We continue to hold our position as the leading provider of 4G network, which was recognised by the Global Business Magazine Awards as Ooredoo Oman was awarded the ‘Best Telecommunications Company Oman 2022’.

Moving on to Myanmar.

Myanmar has reported strong numbers for H1, with increase in revenue of 12% driven by mobile revenue. EBITDA also increased due to higher revenue and better cost controls.

The new sim card tax and higher fees in data have significantly impacted data consumption, resulting in a decline in customer numbers by 40%, however, as mentioned, despite this, the company reported an increase in revenue and EBITDA.

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Ooredoo Maldives’ revenue increased by 9% year on year, supported by the improved macroeconomic situation in the country, and the company reported an increase in EBITDA of 15% with a corresponding EBITDA margin of 55% supported by ongoing efficiency programs. During H1, the company launched an international gaming platform Ooredoo Nation – Gamers’ Land. Customer base increased by 3%. SuperNet broadband services were extended to six new islands, with broadband internet coverage of more than 70% of the population, and the Company is now undergoing a 5G expansion project in the Greater Male’ area.

Finally, Palestine reported strong results with a 5% increase in revenue due to higher mobile data despite the West Bank and Gaza’s volatile political and economic situations, and the Company reported 11% increase in EBITDA.

Customer base increased 5% to 1.4 million, which was primarily driven by mobile services, and the Company further invested in delivering a seamless customer experience through the launch of the My Ooredoo App.

This concludes my presentation and I will hand over to Andreas for the Q&A.

Questions and Answers

Andreas Goldau, Investor Relations:

Thank you very much, Abdulla. We are very excited about our upcoming Capital Markets Day. It's now scheduled for 26th September. We haven't done a Capital Markets Day since 2019, so this will be a great opportunity to meet our management team and to hear the latest Ooredoo news. It's going to be a hybrid event probably, so there’s definitely going to be a webcast and here in Qatar as well. With regards to other events, we also have a few conferences coming up with Bank of America in Dubai and EFG as well the Dubai and HSBC Virtual Conference at the end of September.

Before we go into the Q&A section, I would just remind you that at the back of the investor deck we have many additional slides, some additional KPIs from our commercial team and our technology team and we added quite a lot of new data points this year, so that would be worth having a look at and we are also keen to hear your feedback on our new format and our IR activities in general. We prepared a brief survey for you, when we finish the seminar, you might get some questions that would be much appreciated if you could answer this and give us your feedback, how do you like the new format, what information are you missing and what comments you have in general. That would be much appreciated.

Okay. So now we come to the Q&A part and you have the chance to use Q&A function here in Zoom. You can type your questions or you can just raise your hand in Zoom and then we open the microphone for you and you can ask your question live. If you're dialing in from a phone, you can push *9 and then you can ask your question.

Okay, let us start with this… This is one of the questions here from [inaudible].

"Thank you for the presentation. Net profit in the first half seems to be driven primarily by the Myanmar segment, is it sustainable going forward?"

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

Myanmar's net profit has increased generally, also in line with the general and increase in performance. It is true that versus last year between the impairment of Myanmar last year, there is still the benefits as we introduce our asset base depreciation, the amortization will reduce and this is sustainable in the future.

Andreas Goldau, Investor Relations:

Thank you very much. Then there is another question from [inaudible].

"What is the situation of the tower project on sourcing of technical sides in Algeria?"

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

So the current tower project is a project that we have, and it's not just in Algeria, it's across 6 of our OPCOs, and as mentioned before, this is will be part of a more detailed update during Capital Markets Day.

Andreas Goldau, Investor Relations:

Excellent. Yeah and then we have another question from HSBC there.

"Last time we spoke about Myanmar. [inaudible] mentioned that the company is quite committed and recently reviewed to tower leases to lower the rate there. What has changed since that and is there a consideration to sell?"

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

First of all, as you've seen the performance of Myanmar has been very strong this quarter and since the beginning of the year, we are still committed to the business, we're supporting Myanmar's management into a strong performance. That being said, we will always be opportunistic in reviewing any strategic options. For the time being, we have nothing to report to the shareholders, but to the extent we do view value-creating transactions whether in Myanmar or for an acquisition at that point of time, we will report it.

Andreas Goldau, Investor Relations:

Excellent. Fahad can you open the microphone for Ziad.

Ziad is typing the questions.

“On the sale of datacenter Indosat, this generated a substantial 245 million Qatari Riyals gain. It seems sizable for how much was the sale for and most importantly how much was it contributing to Indosat net income basically, will this have a material negative impact on Indosat EPS going forward?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

So, it's a very positive transaction for both Indosat and ourselves. We do believe this transaction will allow us grow our datacenter business in Indonesia which is the fastest growing market, with a partner alongside us. It’s not a 100% sale but it’s a 70% stake still with a partner who will be able to fund substantial capex going forward and for us to capture growth. We will let the benefit tomorrow of the presentation of Indosat, to go into more detail transaction we believe here in the group this is a very good transaction both for IOH shareholders but also for us, we do and to group shareholders.

Andreas Goldau, Investor Relations:

Excellent. We got a question from Omar Maher Opening up Omar’s microphone now.

Omar Maher

Hi everyone, thank you for the presentation. Just a couple of questions, first one on Oman actually, I guess my question is on both on the revenue and the EBITDA I find it a bit surprising that revenue has picked up quite nicely in the first half of the year, which I find a bit counterintuitive because this is right at the time of the entry of the third operator. So I guess you were thinking that perhaps this is something that should have pressured revenue share in general or the absolute figures. So I was wondering if you could give us some insights on what's going on in Oman just to understand the market dynamics after the entrance of the third player. And the second question is actually on the reported EBITDA for this quarter. If I take the sum of OPCOs, there seems to be a positive difference between reported EBITDA and the some of OPCOs’ EBITDA, which has not been the case in the past, so was there like any reversal of intercompany eliminations at the EBITDA level or anything of the sort?

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

So I will take both questions. I'll take both questions first when it comes to Oman indeed had quite a strong performance revenue has grown by 2% and EBITDA has grown by 5% what you will see there are quite a few drivers to this one is the economic recovery in general in Oman driven by higher oil price and then a recovery of tourism with the reopening of the countries that has helped, not just us but all the economy in Oman. Also secondly, it's true that there is a third launch entrant, one of the things we've done is we've secured the wholesale agreement with Vodafone and Vodafone currently uses our network. So even Vodafone is capturing customers from us and from our competitors, we get a revenue stream from that business and that's what has been one of our defensive play to protect from market erosion in the country. We are also seeing quite a strong performance from our operation in general with a customer increase even with a third entrant of 3%. So demand the movement in Oman has been doing a very strong work we've been preparing for the entrance of Vodafone now for close to over a year before the entry and I think the strategy we put in place has proven to be successful.

Omar Maher:

Thank you. Sorry, on the second question on the difference between reported and total EBITDA.

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

Sorry could you repeat the question?

Omar Maher:
Yes, sure. There is a difference between reported and the sum of the EBITDA for the OPCOs that is very different from historical quarters. Reported EBITDA is typically lower than sum of OPCOs - I'm guessing because of the eliminations and this difference is usually around 100 to 200 million Qatari riyals but this quarter, it's the opposite actually, it's around 47 million positive difference, i.e. the reported EBITDA is higher than some of the OPCOs so I was wondering where is this coming from.

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

Look, I'm not really sure what is your comment will try to clarify it. If you do the sum of the OPCOs, we also have Group revenues, which account for close to 22 million Riyals. So this is maybe where the difference is. So you have the OPCOs plus the itself generates revenues I think maybe that's where the difference is coming from.

"*Post call comment:* the difference between the sum of the Opco EBITDA and the total EBITDA comes mainly from the IOH NP which is included into Group EBITDA"

Omar Maher:
Okay, thank you.

Andreas Goldau, Investor Relations:
Okay. Great, then I see Faisal Alzaabi raises his hand so I'm going to open the microphone for you Faisal.

Faisal Alzaabi:

Good afternoon gentlemen and thank you for the presentation and congratulations on the outstanding set of results, I do have 2 questions. On a sequential basis, what were the main reasons behind the growth in the share of associates and profits from associates. On a quarter-on-quarter basis. My second question, is it a fair to say that whatever we've seen during the first half in terms of, let's say, clean earnings or normalized earnings, is sustainable going into this second half of the year? That's it, thank you.

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
For your first question, the growth in share of associates is mainly due to the difference in accounting treatment of IOH, as you know IOH was fully consolidated and now it's owned as a joint venture, so the contribution comes at the associate level. We've lost the topline contribution, we've lost EBITDA contribution in our accounting, but we get the share of associate at the associate level. If you adjust for the one-off sale of datacenter and how sustainable is the growth, we keep our guidance in place for the full year, we haven't changed. We are very happy for the first half of the year, which has performed very well, and we hope we can perform as well, but there is quite a few headwinds which are out of our control - one mainly is currency with the dollar strengthening significantly. We also have tailwinds, which are helping us - six of our OPCOs are in economies which are oil based or denominated so they're benefiting from the current oil prices and the input and there are economy at the same time, we will also have impact in terms of inflation, actually on the energy costs.

Faisal Alzaabi:
Yes. Thank you, Mr Aziz that was quite clear. However, if I would go back to the share of associates, I completely understand that IOH is currently recognized as an associate. However, since when has this treatment been in place? Did is start from the second quarter or the third quarter?

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
It's from the first quarter, this treatment started from 8th January 2022 on the day we actually closed the transaction - from that date immediately we deconsolidated and the accounting treatments changed as part as a result of the merger and our reduction in ownership going from 65% to 33% in direct ownership.

Faisal Alzaabi:

Okay. So the significant increase from Q1 2022 and profit of share of associates versus Q2 this year, is mainly because of the timing difference of the recognition, right?

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
Yes. So from Q2 2021 to Q2 2022, the different accounting treatment. From Q1 of this year to Q2 increase is because of the one-off sales proceeds of the datacenters in Indonesia, which yielded 245 million in terms of share of associates, but also by the good performance of Indosat which you can see tomorrow.

Faisal Alzaabi:
Thank you, gentlemen.

Andreas Goldau, Investor Relations:
Thank you. All right, thanks Faisal. We had a question here from Celia

“Ooredoo Algeria, what's happening with regards to cost reduction? What is the impact and which areas are you targeting?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
So Ooredoo Algeria has been performing very strongly, as you've seen, it's a difficult market we have seen some slight increase in terms of cost, especially again on the energy side. That being said, the management has been put in quite stringent measures in terms to keep Opex in control at the same time as customer acquisition strategy. I don't think we can go more in specific details on what exact measures we're doing just for competitive reasons.

Andreas Goldau, Investor Relations:
Then a question from XXXX

“Which markets are most challenging? What is the impact of inflation? is the company increasing prices and what's the strategy with regards to the new player in Oman, is it a price war?

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
That was a lot of questions, can we take them one by one?

Andreas Goldau, Investor Relations:

First one was

“Which ones are the most challenging markets and the impact of inflation?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
In general, all our portfolio for the first half is performing extremely well. Each market has its specificities from an operational standpoint. Of course Myanmar, given the political situation there, is slightly more challenging than the rest of our portfolio

given, on one side political situation and to the currency, the uncertainty on the currency weighting. The rest of the operations, we have very competitive markets like Kuwait, Oman is becoming a very competitive market as well that we've been performing in all markets growing at the rate of the market, we're actually exceeding the market growth rate. So we're very happy with our overall performance.

Andreas Goldau, Investor Relations:
The next question was

“What’s the strategy with regards to the new player in Oman, is it a price war?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
So for the time being, the new player has come, of course, with some quite disruptive pricing in the first offering, I cannot really comment on Vodafone strategy but thankfully, these initial offers which were launch offers were quite limited in time. What we've seen between us and the two historical players in Omantel, there has been a lot of discipline in not creating a price war and value destruction for Oman. Therefore, the strong rebound in our operations, plus we’ve put in a defensive strategy.

Andreas Goldau, Investor Relations:
Excellent. And we've got questions from Divia with regards to our bonds maturity,

“What's the plan for the 2023 bonds maturity rollover repaid?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
So, as you know we raised a bond last year we've secured all the financing. And if you look at the chart, (maybe you can put in the slide of our cash), the cash and debt profile, we are actually fully funded and sustainable to be funded for the foreseeable future, we are in no pressure whatsoever in terms of refinancing. So we will do as we've done in the past we will address the market if we see conditions to be favorable for us. And if we can secure a compelling cost of capital, but for the time being, we have no pressure and we have already taken care of our 2023 maturity in last year’s bond issuance and the RCF put in place as well.

Andreas Goldau, Investor Relations:
Excellent. That covers the question. And then Ziad is asking about the customer satisfaction.

“Let's just try this with inflation kicking in and squeezing the customers wallet is there risk for you to cut prices for better scoring, do you see here a risk on ARPUs? Why did the ARPU and prepaid mobile in Qatar declined so much, 5% Q-on-Q and 50% year-on-year?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
So we'll take them one by one again.

Andreas Goldau, Investor Relations:
Yeah. Sure.

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
Customer experience is, and this is where we're putting in place the voice of the customer, more than just pricing; pricing is one component, there are a lot of touchpoints during the customer journey whether from a billing cycle to recharging, quality of service, response time. We're trying to touch all the different points. The impact of inflation is the same for us and our competitors in all markets, and we're quite a lot of disciplines across all markets in terms of the players, so we are not seeing deterioration of pricing and we will definitely not impact our revenues for customers satisfaction, we actually started with a price

increase at the beginning of this year in Qatar, which is our home market. We believe that stronger customer satisfaction actually leads to higher ARPU than lower ARPU. What was the second question?

Andreas Goldau, Investor Relations:
The ARPU decline in Qatar. I mean the prepaid segment.

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
We've had quite a significant strategy of migrating a lot of the upper tier of our prepaid market to postpaid market, so the ARPU decline is due to migration from prepaid customers and the upper tiers, so the higher ARPU prepaid customers to our postpaid plans, and it has been quite a successful strategy.

Andreas Goldau, Investor Relations:
I see a question here from that XXXX who's asking about the revenue in Qatar

"What is the reason behind softer revenue in Qatar, is it in a specific segment/competition?

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
Qatar has performed very well, we are already the incumbent with 75% of revenue market share. Our competitor is performing well but we are performing in line. I think revenues have been quite sustained across the board from mobile to B2B. I wouldn't qualify it as softening at the same time the country's population is more than 100% penetrated. So there is limited growth left in Qatar. At the same time, we're still capturing quite a bit of growth.

Andreas Goldau, Investor Relations:
Great. Then we got a question on

"Can you comment how you manage FX risk?"

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
FX has always been part of our risks in our portfolio of OPCOs, we tried to secure as many contracts in local currency in all of the countries and we try also to a limited extent and try to leverage if it's competitive in the local markets in local currency. The most significant hedge we have against FX is converting as much as we can and as many as we can of our procurement contracts into local currency. Which for certain categories is quite easy, especially on the service side. But when we come to equipment side, which is important, is usually not that evident to do, and even if we convert it to local currency, there is an FX calculation into it. So it's part of our endemic, I would say as structure as a portfolio, as Ooredoo.

Andreas Goldau, Investor Relations:
Right. There is a question from Omar Anwar

"In terms of fixed business, are you seeing any shortages on the fiber optic cable side and have fiber optic cable prices increases due to inflation?"

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
No. So fiber is core to our strategy, when we do the next round to strengthen the core "fiberization" is a key play for us across all our markets. Fiber has been highly commoditized and the price of fiber is decreasing year-on-year.

Andreas Goldau, Investor Relations:
Okay. Next from Ziad on the Wataniya operations. He is asking

“What is driving the jump in costs? He said “employee salaries up by 13% in Kuwaiti Dinar terms, and there is severe FX devaluation in key OPCOs, is it a typical salary adjustments towards the end of the year and what's driving the jump in cost for Wataniya operations?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
Wataniya is an NMTC , so in this we have Kuwait, Algeria, Tunisia and Palestine. So you have quite different variables into it. It’s a bigger mix. One of the drivers for increased Opex is of course the cost of fuel, which was impacted through some of these operations. There is a marginal increase in the staffing cost in the operations, part of it has been long-term incentive program to drive better performance, and we believe that is a fair system which has driven the good performance in all these OPCOs. We are still watching very carefully our Opex and our cost in general across all operations, not just through the Wataniya ones.

Andreas Goldau, Investor Relations:
Excellent and there is a follow-up question in Kuwait again “Any updates on the number’s case?” I don't think there is any new updates.

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

No, there’s no new developments in this last quarter.

Andreas Goldau, Investor Relations:
Okay. Thanks for the comment on the presentation, Ziad, that’s very kind of you. Deeva, would like to know “How do you see the impact on EBITDA margins was inflationary environment and how much I am able to pass through?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
So the biggest, the biggest pressure point today on the margin in terms of inflation is cost of energy. And again, our footprint is quite specific in certain geographies as we’re quite diesel dependent. So, Iraq and Myanmar are the 2 countries that are the most sensitive to price of energy. As of today, we've seen very marginal erosion if you look at the general performance our EBITDA margin is down 1 point. So we've been able to control it and mitigate it, and the we’ll try to offset the increased fuel cost by savings in other segments of our Opex. In terms of passing it through, the increase is not significant enough in order to pass it through to our customers but in general, we are always striving for ARPU increase and not passing through cost, but instead taking our customers with the ARPU level by selling them more services on that.

Andreas Goldau, Investor Relations:
Excellent. And I see one question here from Analyst “Is the free cash flow sustainable or is this primarily due to lower CapEx allocation?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
So 2 parts to that, free cash flow is sustainable we actually have a very strong free cash flow yield as a telecom operator in general. This is driven by topline performance controlling Opex and also the disciplining Capex. We've guided general reduction in Capex over time and will come into this to the extent it doesn't impact our competitiveness in each and every market we operate, but we've been operating in growing markets in general, historically, so we had Capex intensity rates in general across our markets ranging from 12% up to 22%, which we are seeing is a lot of the markets we are operating in are maturing and therefore our Capex intensity has to go down that to revert back to typical mature markets in the range of 10% to 12%, and this is our goal over the next years. So we do believe our free cash flows are very sustainable.

Andreas Goldau, Investor Relations:

Excellent. I don't see any more questions in the chat nor any hands raised, is there anymore questions?

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

I see one more question there

Andreas Goldau, Investor Relations:
A new question from Analyst “Tower sales and datacenter trends?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

So both tower sales and data centers are part of our core strategy and stated as our asset-light strategy – we will come with a full update at the Capital Markets Day for both tower sales where we're in that process and datacenter - what is our strategy with datacenter.

Andreas Goldau, Investor Relations:

Excellent. Greetings from Raba Jamal, he would like to know “whether we see any political risk that might disrupt operations in Iraq?”

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:

No, we don't see any political risk that might disrupt our operations in Iraq. At the same time I think as much as on the currency side it's parts of our portfolio, we also believe as Ooredoo our area of strength is operating in certain geographies, where there are political uncertainties and a lot of restraints, we always are trying to be commercial and apolitical therefore we’re not impacted by change in local political sceneries.

Andreas Goldau, Investor Relations:
Excellent. I think that was the last question. Great, then I would like to thank you all for the participation and looking forward to further interactions. 26th of September is going to be our Capital Markets Day, and our Q3 results are due at the end of October and I encourage you to complete the little survey after this call in the zoom section. If you need any follow-up information, please contact us here in Doha. Thank you very much for joining.

Aziz Aluthman Fakhroo, Managing Director of Ooredoo Group:
Thank you for your time.

Abdulla Al Zaman, Group Chief Financial Officer:
Thank you.