OOREDOO GROUP FINANCE

Abdulla Ahmed Al Zaman, Group Chief Financial Officer

26 September 2022

Capital Market day





OFFICIAL MIDDLE EAST & AFRICA TELECOMMUNICATIONS OPERATOR

Driving long term value for Ooredoo Stakeholders



Best in class organization for the long term

Simple, robust, agile & lean structure Healthy Cash Flow generation from market leading Opcos

- Robust Revenues, EBITDA Margins and FCF
- Continued cost optimization leads to healthy EBITDA margins
- Strategic high return Capex investments



Building capacity for future growth

- Net Debt reduction
- FX risk management
- Interest rate risk management



Stable and Strong investment grade credit rating to ensure market access

Government support & ownership



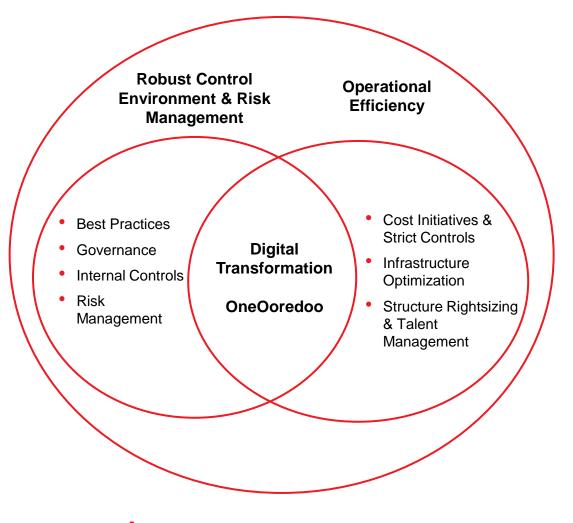
Our **ESG** journey to sustainable operations

- Published first two ESG reports
- Project team with banking advisors to establish ESG framework & strategy

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Building Best in Class Organization for the Long Term

Simple, Robust, Agile & Lean Structure



- **Robust control environment**, internal controls and risk management processes across Ooredoo functions and markets monitored by our independent Internal Audit function with the Audit & Risk Committee oversight.
- OneOoredoo project (SAP), groupwide Digitalization initiatives, simpler operations and processes are bringing standardization, automation and efficiencies across all OpCos.
- Operational Efficiency
 - Dedicated Transformation function ensuring delivery on ambitious targets across our operations. Continuous improvement process embedded into Ooredoo's DNA.
 - Braveheart project bringing ambitious targets to enhance our FCF across OpCos
 - Strategic investments on high return best-in-class assets. Strict, disciplined and centralized CAPEX management process focused on high return assets
 - Evaluation of opportunistic divestments of non-core assets / businesses.
 - Big strides made in scaling and centralizing our procurement capabilities across our operations
 - Strict controls on discretionary spending
 - Power and Managed Services outsourcing and Towers initiatives ongoing
 - Structure Rightsizing & Talent Management

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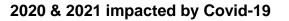
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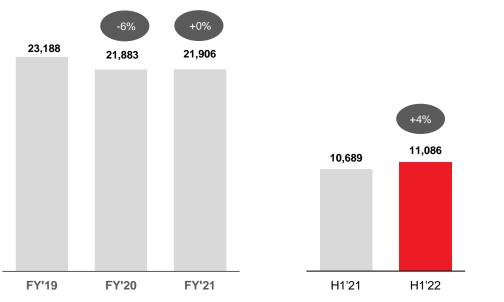
Strong and sustainable performance

Delivering robust key metrics

Revenues (QAR m)

Proforma*

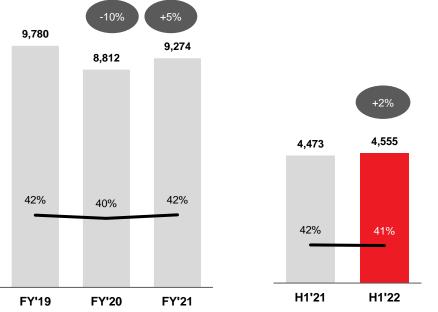




Stable Revenues despite FX impact

 Moderate growth supported by key strategic initiatives (digitalization, fiber, strategic partnerships, data centers, MFS, gaming, government & education) & unlocking value on strategic assets

Proforma*



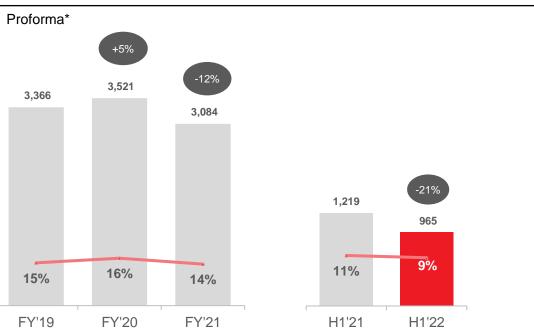
EBITDA (QAR m) EBITDA Margin%

Continuous focus on cost optimization and transformation initiatives resulting in healthy and stable EBITDA margins

* Proforma figures excludes consolidation of Indonesia and normalizing for major non-recurring items.

Healthy Free Cash Flow Generation

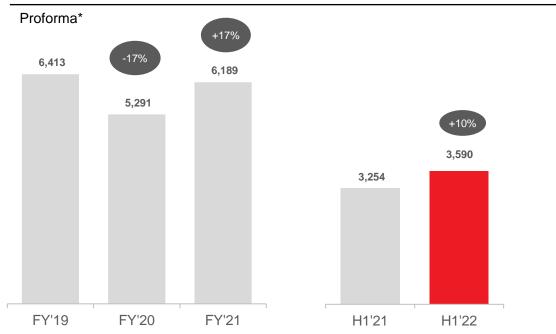
Enhancing smart capital allocations



CAPEX (QAR m) & CAPEX/Revenue (%)

- Strict, disciplined and centralized CAPEX management process focused on high return best-in-class assets
- Economies of scale realized via centralized Ooredoo Group procurement function
- 5G investments completed first in the market Qatar, Kuwait, Oman, Maldives. Capex/Revenue ratio trending down

Free Cash Flow –FCF (QAR m)



Healthy and stable EBITDA combined with optimized Capex resulting in FCF increase Ongoing working capital initiatives improving collections across our markets

* Proforma figures excludes consolidation of Indonesia and normalizing for major non-recurring items Note: Free Cash Flow = EBITDA less CAPEX; CAPEX excludes license fee obligations & right-of-use assets.



Our outlook is stable to growth

Delivering robust key metrics

2022 performance summary (Proforma*) & Guidance for 2022

Group Financials (QAR bn)	H1 2022 Proforma*	% Change H1 2022/H1 2021 Guidance over 2021	2022 Full Year Guidance over 2021
Revenue	11	+4%	-2% to +2%
EBITDA	4.5	+2%	-3% to +1%
CAPEX	0.96	-21%	2.75bn to 3.25bn

Summary

- Full year revenue currently expected to land on the higher end of the range
- Full year Capex currently expected to land on the lower end of the range

* Proforma figures excludes consolidation of Indonesia and normalizing for major non-recurring items



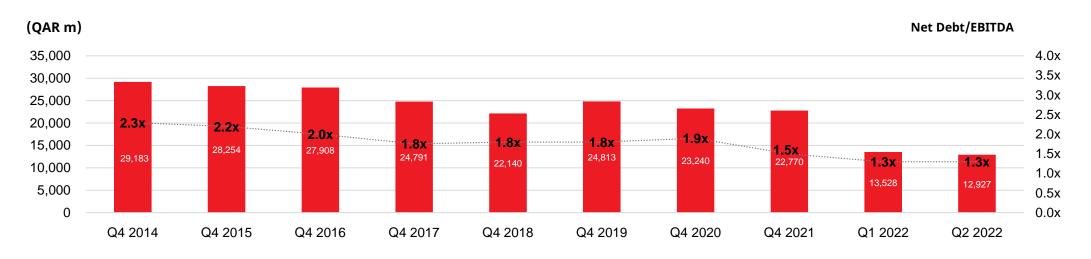
Building capacity for future growth

Improving Leverage and Credit Rating

Leverage

Historical Deleveraging

We have been deleveraging since 2015. The Group Net debt have declined from QAR 29bn (reported on Q4, 2014) to QAR 13bn as end of Q2 2022



Credit Rating

Remain strong Investment Grade

Our credit ratings, post the Indosat merger transaction this year, has been reaffirmed at A- (Stable) and A2 (Stable) by S&P and Moodys' respectively

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Debt Profile

Improving Leverage and Credit Rating

- Net debt/ EBITDA ratio of 1.3x, below current board guidance of 1.5x to 2.5x
- Strong liquidity position (combination of Cash and RCFs)
- Balanced and long maturity profile
- No interest rate risk with high fixed rate debt component ~86% and Ooredoo cash balances covering the floating rate portion of debt
- Strong investment grade rating



18,754 18,025 728 Group Qatar Others

15,476

Bonds

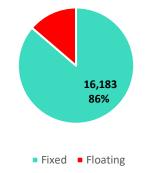
Drawn debt by Source (QAR m*)

3,277

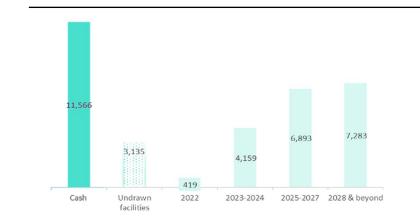
Loans

Borrowings by Operations (QAR m*)

Fixed vs Floating rate debt portion (QAR m*)



Repayment Schedule (QAR m*)



* Approx. 97% of borrowings are in US dollars



Refinancing Plans and Use of current/future Cash

Improving Leverage and Credit Rating

Refinancing Plans

- At group level, there is a equ. QAR 3.64bn (USD 1.0 bn) Bond Maturing in Feb 2023. This is already fully covered by the existing cash. The undrawn RCFs are also available to utilize if needed.
- The next big maturity is equ. QAR 2.73bn (USD 750m) bond due in October 2025.
- Given challenging political and economic environment, the group aims to remain nimble and have the flexibility to move as and when debt capital market window of opportunity presents itself keeping in view strategic requirements.

Use of Current and Future Cash

- To invest in adjacent businesses & strategic assets (Fibre rollouts, Data centres, MFS etc.), as part of overall strategy.
- To continue to use cashflow generated and balance sheet cash to pay down debt as and when they are due, and at the same time maintaining adequate liquidity.
- To pay out dividend in accordance with the Dividend Policy.

Dividend Policy

- Continue with sustainable and progressive dividends
- Pay-out between 40% 60% of Normalised Net Profit.

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Risk Management

Risk Management

- As per our current hedging policy, to continue to Hedge transactional FX risk by OPCOs to the extent such instruments are available, at reasonable cost and permitted.
- As a long-term investor in emerging markets, to continue not to hedge translation exposure at Group level.
- Group wide, we are already at a relatively high fixed rate debts of 86% and thus interest rate risk is already mitigated, and Ooredoo cash balances covering the floating rate portion of debt



The ESG journey

Improving Leverage and Credit Rating

Mission Statement:

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At Ooredoo, we are committed to the highest standards of environmental protection. As an industry leader, we are working to the best of our ability to reduce our ecological footprint. Ooredoo digital products assist customers in reducing their impact on the environment. We promise a legacy to deliver on our customers' aspirations – but a sustainable legacy too.

Past 🏠	Present	Future
 Started ESG Journey in 2018 by publishing first ESG Report in 2020 Major enhancements and additional details and disclosures added to the 2021 Report For the 2022 iteration, looking to fully align our ESG reporting with GRI standards and improve data accuracy and disclosures Participating in the Arab Sustainability Index initiative by Qatar Exchange (100% score achieved) ESG working groups established across Our OPCOs in order to improve reporting, raise ESG awareness both internally and externally on ESG related issues 	 After an extensive RFP two advisory banks were appointed based on their Credentials, investors outreach and proposed synergies with Ooredoo and state of Qatar visions Internal evaluation conducted on Ooredoo existing policies, disclosures and positioning to identify existing Gaps and highlight potential Opportunities across the Group Engaging with Regional Peers on a journey of knowledge exchange, shared challenges and empowerment. Continuing to engage with existing rating Agencies (MSCI, RDR, Moody's / S&P) by supplying them with additional reporting requirements in order to keep closing existing gaps. 	 Ooredoo will focus its efforts on the Social and Governance side of things since rating agencies place higher weight on the two areas as compared to E given the operating model of a telco and the challenges over sourcing renewable energy in the markets where we operate. To become industry and regional leader in ESG benchmarking, reporting and disclosures To have an audited Consolidated ESG report across ou footprint, in due course Once ESG framework is in place, to consider issuing a ESG related debt financing as an when a financing nee arises

11

THANK YOU





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