

Respected Shareholders,

We are pleased to present to you a summary of the results of the operations for the 3 months' period ended 31st March 2024.

Operating performance:

REVENUE: Group Revenue for the three months ended March 2024 has reached RO 728.1 million compared to RO 733.9 million for the corresponding period 2023, a decrease of 0.8%.

EXPENSES Group's total Operating expenses (including depreciation and cost of sale) increased to RO 641.2 million compared to RO 617.7 Mn for the corresponding period 2023, an increase of 3.8%.

NET PROFIT: The Group Net Profit after tax has decreased by 69.5% touching RO 40.6 Mn compared to RO 133.2 Mn in 2023. After adjusting for minority interest the net profit for the period is RO 12.9 Mn compared to RO 25.3 Mn in 2023, a decrease of 49%.

The decrease in Q1-2024 net profit compared to the restated Q1-2023 net profit is mainly due to a one-time gain on sale and lease back of Zain KSA tower transaction. The restatement of Q1-2023 Net profit was due to the accounting of the KSA transaction which was revisited in Q4-2023. Excluding the impact of the restated KSA tower gains, the drop in net profit (before minority interest) is RO 10.9 Mn (21.2%) which is primarily on account of the ongoing crisis resulting in displacement of people and associated network operational challenges in Sudan. Nevertheless, the recovery plan is resulting in gradual improvements in network services and coverage.

Earnings per Share (EPS) attributable to parent shareholder for the 3 months' period ended 31st March 2024 is RO 0.017 compared to RO 0.034 for the corresponding period of year 2023.

Omantel Domestic operations (Domestic performance)

Revenues reached RO 152.7 million compared to RO 163.1 million for the corresponding period 2023.

Net Profit for the three months ended March 2024 stands at RO 36.2 Mn compared to RO 39.6 Mn in the previous period.

The reduction in topline performance is attributed to reduction in Device revenue and Transit voice revenue which reduced by RO 6.7 Mn and RO 3.9 Mn respectively. Excluding Device and Transit voice revenues, the revenue for year 2024 stands at RO 110.9 Mn compared to RO 110.6 Mn representing an increase of 0.2%. The topline performance was supported by growth in Fixed line revenue (incl FBB) which grew by 2.3% while Mobile revenue registered a marginal decrease of 1.3% in an intense competitive market. EBITDA levels were maintained on account of stable margins at retail level while the reduction YOY is attributed to reduction in margin on Capacity sales.

SUBSCRIBER BASE: The total domestic subscriber base as of 31st March 2024 (including mobile and fixed businesses but excluding Mobile Resellers) was 2.986 Mn compared to 3.100 Mn of the corresponding period of the previous year, a decrease of 3.7% below last year. Total subscriber base with mobile resellers reached 3.532 Mn. Zain's total subscriber base as of 31st March 2024 was 42.4Mn.

Subsidiary Companies:

1) Mobile Telecommunication Company (Zain) in OMR:

Zain Group revenues three months ended March 2024 was RO 581.7 Mn compared to RO 579.8 Mn of the corresponding period of the previous year, a margin increase of 1.9 Mn, 0.3%. EBITDA stands at RO 184.2 Mn, compared to the corresponding period EBITDA of RO 204.6 Mn recording a decrease of 10%. Net profit stands at RO 43 Mn compared to RO 107.3 Mn of the previous period, a decrease of 60% below last year.

Domestic Market Share: Omantel's Mobile market share as of 31st March 2024 (excluding *Mobile Resellers*) is 35.8%. The fixed broadband market share as of 31st March 2024 is 55.2%.

Key Developments

We are on the verge of a strategic transformation, poised to solidify our position as the Sultanate's digital leader. Q1 2024 involved forging key strategic partnerships with Amazon Web Services (AWS), Huawei and Google to provide cloud offerings.

OIA & Omantel partnered to set up a Fund with a capital of RO 12 Million, aiming to catalyze innovation and economic diversification. Omantel Innovation Labs is set to be a crucial partner in managing this fund.

These developments are instrumental in propelling Oman's digital transformation agenda forward, aligning perfectly with the aspirations outlined in Vision 2040. Ultimately, this strategic shift positions Omantel as the "Digital Leader" of this national vision, spearheading a future fueled by innovation and connectivity.

Q1 2024 also witnessed kick off Zain Omantel International (ZOI) operations which will support the future revenue growth of the Group through its investments in additional subsea cables.

During the period the Company was successful in issuing a 7 year Sukuk of USD 500 million attracting significant global investors interest. The Sukuk carries profit rate of 5.375% which was achieved in the backdrop of a very challenging interest rate environment. The proceeds of the Sukuk were used to repay in full the Bridge financing obtained in Q4 2023.

Thanks and Appreciation

We take this opportunity to express our heartfelt gratitude to our shareholders and loyal customers for their continued support, which enabled us to achieve these excellent results. We also wholeheartedly appreciate the sincere contribution of executive management and employees to the company's performance in the market's challenging situation. With your support, we are confident that Omantel will continue its good performance and will be able to reach new heights of excellence.

On behalf of the Board of Directors and the staff, we are honored to express our sincere gratitude to His Majesty Sultan Haitham bin Tariq for his visionary leadership. We pray to Almighty Allah to grant him long life, health, and welfare so that Oman and its people can achieve more progress, prosperity, and welfare.

Chairman