
Respected Shareholders,

We are pleased to present to you a summary of the results of the operations for the nine months' period ended 30th September 2024.

Operating performance:

REVENUE: Group Revenue for the nine months ended September 2024 is RO 2,239.9 Mn compared to RO 2,192.5 Mn for the corresponding period in 2023, reflecting an increase of 2.2%. The group revenue increased by RO 58.1 Mn due to higher revenue from KSA, Iraq, and Kuwait, which was offset by a decrease in revenue from Sudan.

EXPENSES Group's total Operating expenses (including depreciation and cost of sale) is RO 1,920 Mn compared to RO 1,823 Mn for the corresponding period 2023, reflecting an increase of 5.3%.

NET PROFIT: The Group's net profit after tax decreased by 31.3%, reaching RO 187.5 Mn compared to RO 273.2 Mn in 2023. After adjusting for minority interest, the net profit stands at RO 44.7 Compared to RO 57.9 Mn in 2023, reflecting a decline of 22.8%.

The decrease in net profit for the nine-month period ended 30th September 2024 compared to the restated net profit for the same period in 2023 is primarily due to a one-time gain from the sale and leaseback of the Zain KSA tower transaction.

The restatement of 2023 nine-month net profit was due to the accounting of KSA Tower sale transaction which was revisited in Q4-2023. Adjusted for the gain on sale and lease back net profit decreased by RO 10 Mn (5.1%) mainly due to the Sudan crisis, which was partially mitigated by increase in profits in Iraq, and Kuwait.

Earnings per Share (EPS) attributable to parent shareholder for the nine months' period ended 30th September 2024 is RO 0.060 compared to RO 0.077 for the corresponding period of year 2023.

Omantel Domestic operations (Domestic performance)

Revenues for the nine months ended September 2024 is RO 452.8 Mn compared to RO 458.1 Mn in 2023 representing a decrease of 1.2%.

The reduction in topline performance is attributed to reduction in Device revenue and Transit voice revenue which reduced by RO 7.2 Mn and RO 5.4 Mn respectively. Excluding Device and transit voice revenues the revenue for year 2024 stands at RO 334.4 Mn compared to RO 327.1 Mn representing an increase of 2.2%.

The topline performance was supported by growth in Fixed line revenue (incl FBB) which grew by 4% while Mobile revenue registered a marginal decrease of 1.2% in an intense competitive market.

EBITDA for the nine months ended September 2024 is RO 124.7 Mn compared to RO 124.6 Mn in 2023 representing an increase of 0.1%. EBITDA levels were maintained on account of stable margins at retail level and reduction in impairment provision of receivable

Net Profit for the nine months ended September 2024 is RO 54.7 Mn compared to RO 58.6 Mn in 2023 representing a decrease of 6.7%. This is attributed to the continued investments in capex mainly in the area of network expansion resulting in an increase in depreciation and amortization by 5.5 Mn YoY.

SUBSCRIBER BASE: The total domestic subscriber base as of 30 September 2024 (including mobile and fixed businesses but excluding Mobile Resellers) was 3.274 Mn compared to 3.363 Mn in 2023, representing a decrease of 2.6%. The decrease is primarily attributed to reduction in Mobile prepaid subscribers which was partially offset by increase in Postpaid Mobile subscribers and Fixed Broadband subscribers. Total subscriber base with mobile resellers reached 3.953 Mn.

Domestic Market Share: Omantel's Mobile market share as of 30 September 2024 (excluding Mobile Resellers) is 39.3% . The fixed broadband market share as of 30 September 2024 is 55.4%.

Subsidiary Companies:

Mobile Telecommunication Company (Zain) in OMR:

Zain Group revenue for the nine months ended September 2024 was RO 1,808.2 Mn compared to RO 1,750.13 Mn in 2023 representing an increase of 3%. EBITDA stands at RO 631.5 Mn, compared to RO 653.5 Mn in 2023 representing a decrease of 3.4%. Net profit (after minority interest) stands at RO 169.5 Mn compared to RO 226.0 Mn in 2023, a decrease of 25%. Zain's total subscriber base as of 30 September 2024 was 47.2 Mn. Zain's total subscriber base decreased by 4.8 Mn compared to 2023 coming mainly from Sudan on account of network shutdown and mass migration crisis.

Key Developments

As we close the third quarter, our leadership in the digital sphere continues to grow, driven by advancements in cutting-edge technologies and a firm commitment to innovation and sustainable growth. With a clear vision of becoming a premier international digital hub, we are integrating global technological advancements into our business model, supported by a robust ICT infrastructure, strategic acquisitions, and partnerships with leading technology companies.

A central pillar of our growth strategy is the Dhofar Governorate, where we have attracted \$150 million in international investments. Key projects include the SN1 Data Center, developed in partnership with Equinix, which has drawn major global content providers and hyperscalers to establish large-scale data centers in Salalah. Additionally, the forthcoming arrival of 10 international submarine cables next year is set to make Salalah the second most connected city in the Middle East. These initiatives enhance regional connectivity and solidify Oman's position in the global digital economy.

In terms of customer engagement, we received the prestigious CX Leader Award this quarter, affirming our commitment to seamless, impactful customer experiences. Our innovation credentials were further validated as the Intakhib Project was named a finalist in the Gartner Innovation Awards, reinforcing our pioneering role in Oman's digital transformation.

Our strategic positioning received further affirmation with a ratings upgrade from Moody's, moving from Ba2 to Ba1 with a stable outlook, reflecting our strong performance. These recognitions underscore our dedication to maximize value to our shareholders, customers and partners.

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 this performance. 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