

Ooredoo Kuwait reported 18% increase in EBITDA to KWD 61.1 million

Ooredoo Kuwait Group reported net profit to NMTC growth of 468% in 2021

Earning per share reached 38 fils

Dividend of 35 fils per share recommended

Kuwait City, Kuwait: National Mobile Telecommunications Company K.S.C.P “Ooredoo” (Ticker: OOREDOO) announced today its financial results for year 2021:

Financial Highlights:

| | Quarterly Analysis | | | Full Year Analysis | | |
|---|--------------------|---------|----------|--------------------|-------|----------|
| | Q4 2021 | Q4 2020 | % change | 2021 | 2020 | % change |
| Consolidated Revenue (KWD m) | 153.3 | 151.1 | 1% | 601.7 | 592.8 | 2% |
| EBITDA (KWD m) | 46.3 | 45.3 | 2% | 207.6 | 196.9 | 5% |
| <i>EBITDA margin (%)</i> | 30% | 30% | - | 34% | 33% | - |
| Net Profit attributable to NMTC (KWD m) | 5.8 | (2.5) | n/a | 19.2 | 3.4 | 468% |
| Consolidated Customers (m) | 24.0 | 24.8 | -3% | 24.0 | 24.8 | -3% |

- Net profit attributable to NMTC increased to KWD 19 million in 2021, representing a strong growth of 468% compared to KWD 3 million in 2020. Net Profit growth was supported by solid operational and financial earnings from Ooredoo Kuwait, Ooredoo Tunisia, Ooredoo Algeria, Ooredoo Palestine and Ooredoo Maldives.
- EBITDA increased by 5% in 2021 to KWD 208 million, compared to KWD 197 million in 2020.
- Consolidated revenue increased to KWD 602 million in 2021, compared to KWD 593 million in 2020. Revenues in KWD were positively impacted by the gradual easing of restrictions in Kuwait, healthy Tunisian market growth, record revenue in Palestine, and strong numbers in Algeria in local currency terms.
- The consolidated earnings per share was 38 fils for 2021, compared to 7 fils per share earned in 2020. The Board of Directors recommends a dividend payment of 35 fils per share, subject to shareholder approval at the General Assembly scheduled for March 2022.

Sheikh Mohammad Bin Abdullah Al Thani, Chairman of the Board of Directors commented:

“NMTC reported a solid set of results for the year ended 31 December 2021, as market activity improved due to the easing and lifting of COVID-19 restrictions in some of our core markets. Furthermore, we saw an increase in customer confidence in the business due to our ongoing commitment to provide innovative products, which further supported our strong performance for the year.

Consolidated revenue for NMTC increased slightly to KWD 602 million for 2021, compared to KWD 593 million in 2020, with an EBITDA margin of 34%. In Kuwait, the focus remained on cost optimisation and digital transformation, resulting in an increase in EBITDA of 18% and an improved EBITDA margin of 29%. In Tunisia, revenue increased by 5%. In Algeria, the business reported strong numbers as revenues were up by 8% in local currency terms. Palestine reported a 9% increase in revenue to KWD 33.8 million, with an increase in EBITDA of 17%, primarily driven by operational efficiencies. With the uptick in tourism, Maldives reported a 2% increase in revenues. Furthermore, the business now serves over 368 thousand customers.

We remain optimistic about 2022, as we continue to focus on enhancing our product portfolio, driving cost optimisation initiatives, and further broadening our customer base across all markets in which we operate.”

Review of Operations

The Group’s operational performance can be summarised as follows:

Ooredoo – Kuwait

Abdulaziz Yaqoub Al-Babtain, Ooredoo Kuwait’s Chief Executive Officer, said: The COVID-19 pandemic and a decline in Kuwait’s population continued to put pressure on Ooredoo Kuwait’s performance during 2021. However, with the gradual ease of travel restrictions, supported by the stabilisation of oil prices, Kuwait’s population has witnessed a slight uptick. With this, the company reported 18% increase in EBITDA to KWD 61.1 million in 2021 compared to KWD 52.0 million in 2020 supporting an improved EBITDA margin of 29%, up from 25% compared to 2020. Revenue also increased to KWD 210.5 million in 2021, compared to KWD 209.8 million in 2020.

“It goes without saying that Ooredoo has made quantum leaps in the world of telecommunication, technology, cybersecurity and security services, making it a well-reputed company with a leading position in the world of innovative digital services, information technology, Internet and communications.” Al-Babtain added.

Ooredoo Kuwait's 5G rollout increased further during 2021. Ooredoo Kuwait's continued commitment to its customers through providing world-class services was recognised by the Stevie International Business Awards where the Company was awarded a Gold Stevie in the 'Mobile On-Demand Application' category for the My Ooredoo App, as well as a Bronze Stevie for Ooredoo Kuwait's volunteer program in the 'Corporate Social Responsibility Program of the Year' category.

Al-Babtain concluded: "With the diversity of customer segments, we have diversified our campaigns and marketing strategies to satisfy every segment. This led to an increase in the number of our customers, which mirrors their great trust in us which we take pride of."

It is worth noting that Ooredoo Kuwait continued achieving excellence and outstanding successes during 2021, through developing strategic partnerships that helped it to better understand the factors of change in consumer behavior.

Strategic Partnerships

Among this year's remarkable partnerships are: Ooredoo's collaboration with the National Bank of Kuwait (NBK), the leading provider of digital banking services in Kuwait and the region, to develop digital services, products and solutions that contribute to enriching customer experience in both institutions. The signing of the MoU came as part of the strategic partnership and well-established relationships between Ooredoo and NBK, and their keenness to provide cutting-edge digital services and solutions that contribute to meeting the needs of all customers to get an exceptional experience from leading institutions in both the financial services and telecommunications sectors.

Ooredoo has also entered a reseller agreement with BT, a leading provider of global communications services and solutions. The scope of services includes managed connectivity and voice services, collaboration and contact centre solutions, as well as cloud-based security services and consultancy.

Digital Transformation & Sustainable Growth

In continuation of its ongoing efforts to accelerate the digital transformation in the country, and in line with its business strategy to constantly provide the latest digital services to its customers and the public, Ooredoo has announced the adaptation and utilization of "Kuwait Mobile ID". It is a mobile application provided by the Public Authority for Civil Information (PACI) that provides users with a digital civil ID accredited for identification and digital signature for both government and private sector, for secure authentication of identities at any of its branches, sales channels, online at <https://shop.ooredoo.com.kw>, or through the MyOoredoo application.

Ooredoo first operator in Kuwait and the region to rolls out eSim online purchases in Kuwait

Ooredoo is the first telecom operator in the State of Kuwait and region to offer customers the ability to conduct a complete purchasing process of a new eSIM online, and without any physical interaction or signature utilizing “Kuwait Mobile ID”, a mobile application provided by the Public Authority for Civil Information (PACI). PACI provides users with a digital civil ID accredited for identification and digital signature for both government and private sector.

Ooredoo Kuwait announced that it won the title “Speedtest Awards Winner 2021” by Ookla, the company that operates the famous website Speedtest.net, a tool that measures network speed on users’ devices. The award is based on speed test results conducted by hundreds of thousands of actual smartphone users in Kuwait.

Ooredoo - Tunisia

Revenues increased by 5% to reach KWD 134.0 million in 2021 compared to KWD 127.7 million in 2020. EBITDA decreased to KWD 51.8 million in 2021 compared to KWD 54.7 million in 2020. Ooredoo’s customer base in Tunisia decreased to 6.9 million customers, due to a change in Ooredoo Tunisia’s reporting methodology of its prepaid customer’s base from the original life-cycle definition to the 90 days network activity definition to align with a common methodology across mobile operators within the country. This change translates into a drop in the reported customer base of approximately 1.2 million with no impact on the reported financials.

Ooredoo – Algeria

Ooredoo Algeria reported strong numbers despite the continued devaluation of the Algerian Dinar, which depreciated by 8% year-on-year. Revenues stood at KWD 188.5 million in 2021. In local currency terms, revenues were up by 8%. EBITDA increased by 4% to KWD 65.1 million in 2021 compared to KWD 62.6 million in 2020. Ooredoo Algeria’s customer base increased by 2% to 12.8 million in 2021 compared to 12.5 million in 2020.

Ooredoo – Palestine

Revenue increased by 9% to KWD 33.8 million in 2021, compared to KWD 31.2 million in 2020. The business reported a strong EBITDA with an increase of 17% to KWD 12.3 million in 2021 compared to KWD 10.5 million in 2020, driven by operational efficiencies across the business. Customer base in Palestine increased by 5% to reach 1.4 million customers in 2021 compared to 1.3 million in 2020.

Ooredoo - Maldives

Ooredoo Maldives reported a 2% increase in revenues to KWD 35.0 million in 2021, compared to KWD 34.3 million in 2020. EBITDA was KWD 17.2 million in 2021 compared to KWD 17.0 million in 2020. Ooredoo Maldives now serves a total of 368 thousand customers.

For more information, please visit www.ooredoo.com.kw

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About Ooredoo Kuwait (NMTC)

Commercially launched in December 1999, the Company's share price as of 31 December 2021 was KWD 0.624, giving a market valuation for Ooredoo (NMTC) of KWD 0.3 Billion.