

Ooredoo Kuwait Group reports revenue of KWD 146 million for Q1 2021

Kuwait City, Kuwait: National Mobile Telecommunications Company K.S.C.P “Ooredoo” (Ticker: OOREDOO) announced today its financial results for the quarter ended 31 March 2021:

Financial Highlights:

	Quarterly Analysis		
	Q1 2021	Q1 2020	% change
Consolidated Revenue (KWD m)	146.0	155.8	-6%
EBITDA (KWD m)	50.8	52.9	-4%
EBITDA margin (%)	35%	34%	-
Net Profit attributable to NMTC (KWD m)	1.0	1.7	-43%
Consolidated Customers (m)	23.6	25.6	-8%

- Consolidated customer base decreased by 8% to 23.6 million in Q1 2021, compared to 25.6 million in Q1 2020 mainly due to a change in methodology in Tunisia.
- Revenues in KWD were impacted by the COVID-19 pandemic and related business limitations across all operations, lower sales in Kuwait, a decrease in Algerian revenue mainly due to currency devaluation. Consequently, consolidated revenue decreased by 6% to KWD 146.0 million for Q1 2021, compared to KWD 155.8 million in Q1 2020.
- EBITDA decreased by 4% in Q1 2021 to KWD 50.8 million, compared to KWD 52.9 million in Q1 2020.
- Net profit attributable to NMTC was KWD 1.0 million for Q1 2021 compared with KWD 1.7 million in Q1 2020, due to the decline in EBITDA
- The consolidated earnings per share were 2.0 fils per share for Q1 2021, compared to 3.4 fils per share earned in Q1 2020.

Commenting on the company's results, Abdulaziz Yaqoub Al-Babtain, Chief Executive Officer, Ooredoo Kuwait, said: “We focused on supporting the community and thus we intensified our corporate social responsibility initiatives, and gave more attention to the safety of our people. Our digital transformation strategy enabled us to improve our cost base and to increase efficiency.”

“We constantly aim to keep pace with technological development, contribute to enhancing the local economy, ensure the safety and satisfaction of our employees and customers, and maximize our efficiency, productivity and performance” Al-Babtain added.

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

“The first quarter of 2021 was characterised by challenging conditions in several of our markets as the pandemic continued to impact economic activity and disposable incomes. However, throughout this difficult period, we remained focused on the health and wellbeing of our employees and customers, and continued to support the communities in which we operate.

Operationally, however, The COVID-19 pandemic accelerated the adoption of digital channels across our markets, supporting our digital transformation agenda as we continue to broaden our offering and focus on expanding our customer acquisition channels. This enabled us to maintain a healthy consolidated customer base of 23.6 million in Q1 2021.

Our financial performance for the period was impacted by economic instability due to the pandemic as well as currency depreciation in some of our markets. NMTC reported consolidated revenues of KWD 146 million during the first quarter of 2021, down 6% compared to the same period last year. Our focus on cost optimisation enabled us to partially absorb the pressure from our top line, hence EBITDA for the period declined by a slower rate of 4% to KWD 51 million, supporting a healthy EBITDA margin of 35%. Consolidated Net Profit in Q1 2021 was KWD 1 million compared to KWD 2 million for the same period in the previous year.

In Kuwait, our digital transformation strategy enabled us to optimise our cost base supporting an increase in EBITDA margin to 28% in Q1 2021 compared to 25% in Q1 2020.

In Tunisia, revenue increased 2% during the first quarter of 2021 compared to the same period last year due to favourable exchange rates.

In Algeria, our customer base increased by 3% to 12.7 million, supported by our strong digital offering.

In Palestine, EBITDA increased 22% to KWD 2.8 million in Q1 2021 compared to the same period last year, driven by strong revenue growth of 5% as well as our ongoing efficiency and cost optimisation initiatives.

In the Maldives, we grew our customer base to 360,000, an increase of 3% from the end of last year.”

Review of Operations

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

Ooredoo – Kuwait operations

Ooredoo Kuwait revenues were KWD 50.5 million in Q1 2021, compared to KWD 55.1 million in Q1 2020 and EBITDA stood at KWD 14.1 million in Q1 2021 compared to KWD 13.9 million in Q1 2020.

To promote vaccination against COVID-19, and to support government efforts, Ooredoo Telecom, the first to introduce innovative digital services in Kuwait, offered three months free of charge to all its customers -with post-paid subscriptions- who have had the COVID-19 vaccine. This stems from the company's determination to stand by the Government and its entities in their efforts to fight the COVID-19 pandemic, and inspire the people of Kuwait to take the vaccine. This is mainly driven by the Company's national corporate social responsibility program to achieving sustainable development and improving the lives of members of society as a whole.

Ooredoo Kuwait also won a several prestigious awards, the Company was awarded the "Best Internet Service Provider" at the annual Service Hero Awards for the year 2020, endorsing the company's long standing commitment to its customers. Recognized as the benchmark in the telecom industry, Ooredoo Kuwait was recognized for its excellence in offering complete coverage at high speeds, multiple plan options to suit different needs along with offering an excellent customer service.

Ooredoo Kuwait also proudly announced that it has won 3 categories at the 2021 Middle East & North Africa Stevie Awards®. The Stevie Awards® are widely considered to be the world's premier business awards, conferring recognition for achievement in programs such as The International Business Awards® for 19 years.

Ooredoo Kuwait has won in the following categories; "Innovation in Business Information Apps", "Innovation in Customer Service Management, Planning & Practice", and "Achievement in Growth". The Gold Stevie Award® for "Innovation in Business Information Apps" category was awarded in recognition of the company's My Ooredoo application. My Ooredoo allows customers to fully control their account through their smart devices at any time. Customers can pay their bills or recharge multiple lines at once, check their pack usage and balance, activate their Nojoom account and keep track of their points, activate several digital services and buy e-vouchers and more.

The Silver Stevie Award® for "Achievement in Growth" category was in specific recognition of Ooredoo Kuwait's milestones in business, technology and digital services in the telecommunications sector. Ooredoo has won numerous awards for providing an exceptional customer experience in the past, and today, Ooredoo is definitely thrilled to add this award to its portfolio. For years, Ooredoo Kuwait has maintained its success and even achieved growth by exploring new innovative techniques to conduct business efficiently, allowing it to reach new

markets, expand its product and service portfolio, and expand the competencies of its human resources.

Among the most important of these achievements are the launching of eSIM on its network as the first telecom operator to offer this service in Kuwait and one of the first in the region, launching the 5G in mid-2018 providing a superior 5G experience and improving its network capabilities, followed by the first international 5G video call in the MENA region between Ooredoo Kuwait and Ooredoo Qatar. These important steps comes in tandem with the company's digital transformation strategy and affirming its leadership in digitalization in Kuwait, in addition to providing its customers a full-fledged and unique digital experience.

Ooredoo Kuwait also received a bronze Stevie Award® for "Innovation in Customer Service Management, Planning & Practice - Telecommunications Industries" category. The company's most important achievements represented in completing 1000 days of launching its state of the art data center with zero downtime since its launch in 2017. The data center provides a suite of managed hosting services tailor-made to fit corporate and business needs. These services are ideal for corporates and businesses looking to better manage their data, platforms and applications.

Ooredoo - Tunisia

Revenues increased by 2% to KWD 32.7 million in Q1 2021 compared to KWD 32.1 million in Q1 2020 supported by favourable Foreign Exchange rates. EBITDA decreased to KWD 13.5 million in Q1 2021 compared to KWD 14.1 million in Q1 2020. Ooredoo's customer base in Tunisia decreased to 6.9 million customers in Q1 2021. Ooredoo Tunisia has changed the reporting 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 Tunisia. This change translates into a drop in the reported customer base of approximately 2.3 million with no impact on the reported financials

Ooredoo – Algeria

Business in Algeria was negatively impacted by the devaluation of the Algerian Dinar. Consequently, revenues decreased to KWD 45.8 million in Q1 2021, compared to KWD 49.9 million in Q1 2020. EBITDA was KWD 15.6 million in Q1 2021, down from KWD 16.8 million in Q1 2020. Algerian Dinar depreciated by 12% year on year. Customer base in Algeria increased by 3% to 12.7 million in Q1 2021 compared to 12.3 million in Q1 2020.

Ooredoo - Palestine

Revenue increased by 5% to KWD 8.3 million in Q1 2021, compared to KWD 7.9 million in Q1 2020. EBITDA was strong, increasing 23% to KWD 2.8 million in Q1 2021, compared to KWD 2.3

million in Q1 2020, driven by operational efficiencies across the business. Customer base in Palestine decreased to 1.3 million customers in Q1 2021 compared to 1.4 million in Q1 2020.

Ooredoo - Maldives

Ooredoo Maldives reported 18% decrease in revenues to KWD 8.8 million in Q1 2021, compared to KWD 10.8 million in Q1 2020. EBITDA was KWD 4.7 million in Q1 2021 compared to KWD 5.7 million in Q1 2020. Ooredoo Maldives now serves a total of 360k 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 March 2021 was KWD 0.645, giving a market valuation for Ooredoo (NMTC) of KWD 0.3 Billion.