

Respected Shareholders,

We are pleased to present to you a summary of the results of the operations for the year ended 31st December 2023.

Operating performance:

REVENUE: Group Revenue for the year ended 31st December 2023 has reached RO 2,942.7million compared to RO 2,682.8 million for the corresponding period 2022, an increase of 9.7%. The Group revenue includes Zain Group, which contributed revenues of RO 2,361.2 Mn. Group's revenue increased across all operations with a major portion of that coming from Oman which increased YOY by 7.3%, KSA by 9%, Iraq by 20%, Sudan by 14% and Kuwait by 5% respectively.

EXPENSES: Group's total expenses (including depreciation) increased to RO 2,468.8 million compared to RO 2,235.5 Mn for the corresponding period 2022, an increase of 10.4%.

Group's cost of sales increased by 9.3% on account of costs related to revenue growth coming from Device and international transit revenue. Group's Opex (including depreciation) cost increased by 11.3% primarily on account of increase in rental of telecom towers in Oman, Kuwait, KSA, Iraq and Jordan.

NET PROFIT: The Group Net Profit after tax has grown by 13.1% to RO 315.5 Mn compared to RO 278.9 Mn in 2022. After adjusting for minority interest the net profit for the period stands at RO 74.8 Mn compared to RO 91.3 Mn in 2022, a decrease of 18.1%.

Group net profit for year 2022 includes one-time capital gain on sale of telecom towers in Oman for RO 28 Mn (Net of taxes) which is the major reason for the decrease in Net profit in 2023 compared to year 2022.

Earnings per Share (EPS) attributable to parent shareholder for the year ended 31st December 2023, for the same reason above, has decreased to RO 0.100 compared to RO 0.121 for the corresponding period of year 2022.

Omantel Domestic operations (Domestic performance)

Revenues reached RO 606.5 million compared to RO 565.5 million for the corresponding period 2022. Revenue growth is mainly coming from wholesale transit voice revenue which increased by RO 17.2 Mn and device revenue which increased by RO 19.3 Mn. Growth in retail revenue is contributed by Mobile Postpaid revenue which increased by 10.2% and Fixed Broadband revenues which increased by 4.2%.

Net Profit for the year 2023 stands at RO 63.3 Mn compared to RO 85.7 Mn in the previous period. Net profit for the year 2022 includes one-time capital gain on sale of Towers for RO 28 Mn (Net of taxes). Excluding the Capital gain from the profit for year 2022, the net profit for year 2023 showed an increase of 9.7%

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compared to the previous year. This increase was on account of stable EBITDA and a decrease in Finance costs.

Dividend: The Board of Directors, subject to the approval of shareholders, recommends a distribution of a final dividend of 55 baiza per share (2022 - 55 baiza per share). This is in addition to interim dividend of 5 baiza per share distributed earlier in 2023 totaling 60 bz per share for the year 2023 reflecting a 60% payout ratio of the net profit.

SUBSCRIBER BASE: The total domestic mobile subscriber base as of 31st December 2023 was 3.18 Mn (including Mobile Resellers) compared to 3.22 Mn of the corresponding period, the shortfall was due to a decrease in Prepaid subscriber base which is significantly off set by growth in Postpaid subscriber base.

Subsidiary Companies:

1) Mobile Telecommunication Company (Zain):

Zain Group revenues year ended 31st December 2023 was RO 2,361.4 Mn compared to RO 2,129 Mn of the corresponding period of the previous year, an increase of 10.9% over the last year. EBITDA stands at RO 871.3 Mn, compared to the corresponding period EBITDA of RO 828.6 Mn recording an increase of 5.2%. Net profit stands at RO 359.7 Mn compared to RO 276.5 Mn of the previous period, an increase of 30.1% over the last year. The Board of Directors of Zain Group recommended a final dividend of 25 fils per share which takes the total dividend for the year 2023 to 35 fils for the year 2023 reflecting a 70% payout ratio from the net profit. Key operations in Kuwait, Iraq, KSA and Jordan deliver impressive profit growth. The completion of Tower sales during the year in KSA and Iraq helped in creating value and efficiencies for the Group.

Domestic Market Share: Omantel's Mobile market share as of December 2023 (excluding *Mobile Resellers*) is 37.4%. The fixed broadband market share as of December 2023 is 55.9%.

Corporate Social Responsibility (CSR): As part of its ongoing commitment to support the society and environment, Omantel has embarked on number of CSR initiatives and programs and has extended its support to various organizations and events. The below summarizes the major initiatives and events supported during the year 2023:

Community Wellbeing

1. **Oman Charitable Organization (OCO):** Omantel Contributed RO 150,000 to the Oman Charitable Organization (OCO) as part of its ongoing Corporate Social Responsibility (CSR) initiatives.
2. **House Maintenance:** The company supported families with low income to live in healthy and safe homes by providing full house maintenance to houses with critical conditions that can cause hazard living in them. Omantel contributed OMR 115,000 through their collaboration with Dar Al Atta, benefiting 20 families..
3. **Fak Kurbah Donation Campaign:** A humanitarian initiative in collaboration with the Omani Lawyers Association to contribute to the release of insolvents who are imprisoned due to their financial claim cases. The company set aside OMR 10,000 for this initiative in 2023, which benefited 16 Insolvents.
4. **Cancer Patients Support Campaign:** Supporting the training program for healthcare workers and stakeholders of Palliative Care for terminally ill patients. In addition, Omantel employees are taking part in the annual walkathon to support the association's efforts in raising awareness of the community regarding fundraising. The company set aside OMR 15,000 for this initiative in 2023, in collaboration with Oman Cancer Association (OCA).

Education

5. **IT & Coding Curriculum:** In continuation of the four-year agreement between Omantel and the Ministry of Education, Omantel contributed RO 100,000 in 2023. The development of an IT and coding curriculum for primary school students (Grade 3 and 4) to provide them with the skills of the future and the fourth industrial revolution in line with Oman Vision 2040. which benefited 240,000 Students.
6. **Applied Research Fund:** Promote scientific research in the fields of ICT and Nanotechnology in support of the efforts made to develop scientific research in Oman. The second collaboration will be for another 5 years focusing on the field of ICT (2024). OMR 60,000 were set aside for this initiative in year 2023. In collaboration with Sultan Qaboos University.

7. **Scholarships for students:** Provide educational opportunities for Omani students of General Diploma graduates to study in Oman with a 5-year financial support for scholarships in the specializations of ICT to enhance their competencies in this field to keep them up with the requirements of the Fourth Industrial Revolution. OMR 47,960 were set aside for this initiative in 2023. Which benefited 11 Students in total, in collaboration with Ministry of Higher Education, Research, and Innovation.
8. **Omantel Innovation Corner:** The corner is based on providing interactive learning tools with innovative and sophisticated technologies based on intelligent ICT solutions to educate young children and young people about digital literacy and encourage them to think about inventions by conducting various IT experiments. The corner will be reactivated in 2024. OMR 20,000 set aside for this initiative in 2023. Which benefited 11 Students in Total in collaboration with The Children Public Library.
9. **Innovation and Technology Transfer Center:** The center is one of the 14 research centers within SQU, addressing the urgent need to expand the activities in the field of innovation. OMR 50,000 is set aside for this initiative in year 2023, which benefited 2000 students. In collaboration by Sultan Qaboos University.

Environmental

Artificial Coral Reef: Supporting the cultivation of artificial coral reefs in the ocean, protecting and improving habitat and increasing populations of fish and other marine life. OMR 20,000 were set aside for this initiative in year 2023. In collaboration by InnoTech.

Future Outlook.

In 2023, Omantel maintained its position as a leader in the telecommunications sector in the sultanate of Oman and continue to maximize value to our esteemed shareholders. We eagerly look forward to building a totally connected community through innovation together with our customers. Our vision extends beyond traditional connectivity roles. Omantel is evolving into a technology company that is engaging in global diversification ventures.

Our corporate strategy, "Shift Gear," is steering our company's vision toward a digital-native future. We have made remarkable strides over the past three years, earning recognition for our top-notch digital experiences. As AI takes center stage in our strategy, we are exploring its potential to enhance customer offerings and streamline operations, marking the start of a transformative journey from a Telco to Tech Company. In this context, Omantel Labs focuses primarily on developing entrepreneurial skills among the youth and accelerating the growth of technology startups in the Sultanate of Oman through five technological fields: 5G technology, Internet of Things, cybersecurity, subscriber experience concept, and big data. Additionally, Omantel obtained, through one of its subsidiaries, a license from the Central Bank of Oman to provide electronic payment services in the Sultanate through the OM Pay application. This service will enable Omantel to provide diverse payment options for individuals and businesses alike.

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In 2023, Omantel advanced significantly in implementing the strategy by introducing new initiatives and strategic partnerships that will cement the foundation of our growth.

Through our endeavors to expand the horizons of partnership and innovation, we have collaborated with AWS (Amazon Web Services) to address data residency and security requirements, especially for government entities and regulated industries in Oman.

We are also working with AWS to develop a marketplace that will run on AWS built platforms which leverages its Machine Learning and Data Analytics capabilities to provide a personalized customer experience.

Our continuous partnership with global tech giant Google empowers us to achieve our goals competently. Together, we have embarked on groundbreaking initiatives, including implementing Artificial Intelligence/Machine Learning (AI/ML) on prediction models and revenue maximization, network optimization, and the API monetization project aimed at serving enterprise businesses.

To accelerate digital transformation, the Huawei-powered national cloud will facilitate Oman's digital revolution with secure and local data hosting, coupled with cutting-edge cloud services and Hyperscaler capabilities brought to customers' doorsteps. Omantel is also partnering with other global giants to foster digital transformation and growth in Oman.

Through these alliances, we are confident we can develop a successful digital Infrastructure that will play a pivotal role in enabling customers, enterprises, including SMEs, and Government entities to advance their business and achieve more. These developments are also pivotal for accelerating Oman's digital transformation, aligning with its ambitions outlined in Vision 2040, and positioning Omantel as the vision Digital Arm.

Moreover, Omantel's participation in several international cable systems is also supported by an assemblage of several direct regional terrestrial links in our portfolio, which makes the Sultanate of Oman one of the most connected places in the region and an attractive international hub as the entrance to the Gulf for carriers, content, and cloud providers. The formation of Zain Omantel International (ZOI), in partnership with Zain Group, marks a strategic expansion in our services. With the new entity adopting a vibrant brand identity and a comprehensive service portfolio, ZOI is set to become a leading force in the global wholesale telecommunications sector.

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

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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.

On behalf of the Board of Directors

Chairman of the Board of Directors