2025

Tuesday 18th of November 2025, 14:00 Oman time

Omantel Q3 2025 Performance Discussion – Conference Call

Attending Management Team

- Mr. Ghassan Hashar, Chief Financial Officer.
- Ms. Amal Al Ojaily, General Manager, Strategic Finance.
- Mr. Wahbi Al Riyami, General Manager, Treasury.
- Mr. Sudhakar, General Manager, Financial Control.

Omantel Q3 2025 Performance Discussion – Conference Call

Aisha Al Balushi – Investor relations

Good afternoon, everyone. Thank you for joining us today for the Q3 2025 earnings call. We will give the analysts and investors additional time to join us, and we will start after a few minutes. Thank you.

Thank you very much for joining us for the Q3 2025 earnings call for Omantel Group.

Today we have on our call:

- Mr. Ghassan Hashar, Chief Financial Officer.
  and we are also joined by the senior management team of Finance:
- Ms. Amal Al Ojaily, General Manager, Strategic Finance.
- Mr. Wahbi Al Riyami, General Manager, Treasury.
- Mr. Sudhakar, General Manager, Financial Control.

  Mr. Dharminder, Chief Strategist.

By now, we have uploaded the investor presentation, so you may access it through the Investor Relations website.

Before we begin, please note that during this call we might make forward-looking statements, and we ask you to exercise caution when considering these statements in relation to your investment decisions.

This presentation has been prepared in good faith for the purpose of the investor community, and the information is supplied in a summary form and therefore is not necessarily complete.

Now, before handing over to Mr. Ghassan Hashar, and with regard to the Q&A, please, given the time constraints, each analyst is kindly requested to limit themselves to one question and one follow-up question to make sure everyone gets a fair opportunity to ask their questions.

Now, handing over to Mr. Ghassan Hashar. Let's move to the next.

Ghassan Al Hashar – Chief Financial Officer

Good afternoon, ladies and gentlemen, and a very warm welcome to Omantel's Q3 earnings call update. During today's call, we will present our financial results and share operational highlights.

Before that, I would like to shed light on some key developments during the quarter. The Board of Directors formally expressed its deep appreciation to Sheikh Talal Al Mamari, the former Chief Executive Officer, for his outstanding leadership and significant contributions to Omantel's ongoing transformation journey.

Under his leadership, Omantel has achieved notable regional expansion. The Company has effectively broadened its presence, establishing itself as a prominent player beyond its initial markets. He has also overseen a significant acceleration in Omantel's transition towards ICT and digital growth segments. These efforts have positioned the Company at the forefront of technological innovation, driving future growth and sustainability.

Currently, Engineer Sami Al Ghassani, Chief Technology and Digital Officer, is acting as CEO. This is to ensure a smooth transition and continuity at Omantel.

We are pleased to share that Omantel has also recently been honored with three Investor Relations awards from Extel and MEIRA. This recognition reflects our ongoing commitment to excellence in Investor Relations and acknowledges the dedication of our team in this area.

In response to these achievements, we have updated the content of our quarterly presentation. The enhancements are designed to provide a higher level of information and to better meet your expectations regarding transparency. We remain committed to ensuring that all stakeholders receive clear, comprehensive, and timely updates.

Let us begin the call with the presentation of our Q3 financial highlights that we are seeing in front of us.

The growth in subscribers at the Group level has moved up by 8.8% to 54.9 million, and at the domestic level, a 13.2% growth to 3.7 million subscribers.

Revenues have grown at the Group level to 2.49 billion Omani Rials, an increase of 11.2%. At the domestic operations, revenue grew by 8.9% to 493.2 million Omani Rials.

Our EBITDA has grown at both the Group and domestic levels of 8.2% and 2.5% respectively.

At the net profit level, we are seeing the Group consolidated net profit go up by 29.8% to 243.4 million Omani Rials, and the net profit attributable to the shareholders of Omantel has gone up by 16.3% to 52 million Omani Rials as at 30th September 2025.

Let's move on.

Here also, to highlight more of the updates on Q3: as you are all aware, we have updated the respected shareholders and investors that the TRA reduced the mobile services royalty rate from 12% to 10%, and this also had a positive impact on our financial performance.

It is also worth highlighting that we are seeing continued, strong growth in ICT revenue along with growth in core revenues and EBITDA.

It is also worth highlighting that Zain Group reported exceptional performance, led by growth in core operations and the recovery in Sudan.

As highlighted earlier, we have embarked on the journey of launching the new Digital & Emerging Technologies vertical, where we have launched OmPay and Xhawi marketplace. We will demonstrate those in the coming slides.

And finally, as you are all aware, Omantel has disclosed recently the developments in regard to IAS 29. Just to update everyone, the assessment is still underway to implement this in the year-end financial statements.

From here, I'll hand it back to Aisha to walk us through the remaining slides. Aisha, please.

Aisha Habib Murad Al Balushi

Thank you. Thank you very much, Mr. Ghassan Al Hashar.

Before we get into the detailed update of the nine-months performance, we will give you the usual macroeconomic updates that support Omantel's ambitions in moving in our journey from a traditional telco to a technology group.

Giving you a high-level view of the growing and resilient landscape in Oman, we can see that, against the backdrop of positive and growing macroeconomic KPIs, we have witnessed year-on-year population growth of around 2%. The inflow of tourist visitors also continues to show healthy growth in terms of arrivals.

The debt-to-GDP, which was one of the key significant achievements from the government, has improved, with the government being able to reduce the ratio from almost 60% to 35%, as reported in Q1 2025.

Now, going to the supportive regulatory environment, we have also seen that the sovereign has been very active in helping the SME sector. We have seen, year-on-year from 2024, growth of 5.7%, and we also saw royalty rate cuts on services reduced from 12% to 10%, which aligns perfectly with Omantel Group's ambitions and plans when it comes to digitization and providing solutions going forward.

On the last column, we have the tech-savvy demographics. We have seen the number of mobile and smartphone penetration reaching 98%, mobile penetration at 122%, and FBB (fixed broadband) penetration at 83%, which gives us room to increase in the fixed broadband segment.

We have also seen over the past five years a huge increase in data usage, growing around 22.4% over that period, which is the key driver over the last five years.

This positive trend is also supported by the fact that all three credit rating agencies have updated the sovereign rating. Two of them have already upgraded, and we are waiting for the third to get the full set of key rating agencies to uplift and improve the national credit outlook for the sovereign. As of the latest changes, Moody's has upgraded Oman to investment-grade rating alongside S&P Global. We are waiting for a Fitch rating meeting in December to follow the other two credit rating agencies.

Now, to give you a high-level view of Omantel Group's core segments and how we are moving towards a regional connectivity and tech powerhouse, we are depending on three key verticals:

1. **Core Telecom** – where we have witnessed resilient performance in both retail and wholesale, regardless of the competition in the market. We maintain a strong market-leading position with 3.6 million subscribers, supported by a 54.4% fixed broadband market share and a 40.3% mobile market share.

   On the wholesale side, our business is supported by a robust network infrastructure, having more than 20 subsea cables connecting the West to the East and making Muscat and Salalah among the most connected cities in the region, in partnership of course with Equinix.

   On top of that, we have ZOI, one of our key synergies between Zain and Omantel, which is currently managing both Omantel and Zain wholesale operations.

2. **ICT and Emerging Tech** – this has also been witnessing, as Mr. Ghassan mentioned, very impressive growth year-on-year, almost 69.5%, mainly

driven by cloud and hosting solutions and IoT services. You can see our matured ICT portfolio driving this performance:

- Oman Data Park,
- Tadoom, and
- Infoline.

On the side, we have a developing digital portfolio with the recent launch of OmPay and Xhawi marketplace, and we are also monetizing—or will monetize in the future—the CEP base has reached 1.4 million active subscribers.

3. **Zain as a Partner of Growth** – Zain will be a very important element in Omantel's evolution. We are positioning Zain as a partner of growth and leveraging their seven-market footprint with 54.9 million subscribers, as well as leveraging Zain's expertise around ZainTech, Zain Fintech and TASC when it comes to future synergies and collaboration with our other two verticals in ICT and Emerging Tech.

Now, moving to Omantel's corporate strategy: as you have seen in the recent quarter, we have refreshed and updated our strategy, building upon the foundational blocks of the Shift Gear strategy. We continue to step forward with our strategic directions, positioning ourselves as:

- the enabler of sustainable demand,
- an innovation orchestrator, and
- a leader in AI and the ecosystem of the future

through various initiatives.

We will act as a sustainable telecom operator by scaling the next-generation capabilities powered by emerging technologies that we mentioned earlier, and foster innovative-driven strategic alliances with Zain to expand our impact.

As a leader in AI, we have already launched an AI Centre of Excellence and an AI Studio with strong governance and upskilled staff to scale AI and build data missions, and to deploy Arabic and large language model use cases. In mobility, we have already deployed use cases in consumer and ICT to lift ARPU, retention, and NPS.

On the ecosystem-of-the-future side, we are working to create an immersive, personalized digital content and entertainment ecosystem and to establish a regional research and development center.

Now moving to Zain as a partner of growth: just to give you a high-level overview of the synergies that have materialized or are ongoing, we have:

- **Procurement** – as of year-to-date, savings have reached around 3.9 million Omani Rials.
- **Wholesale** – ongoing synergies via ZOI and cross-border capacity optimization.
- **Fintech** – ongoing partnerships and synergies in fintech and optimization of operations on the fintech side.

Now, moving to the financial updates:

Omantel Group performance: as mentioned by Mr. Ghassan, the Group has shown strong revenue growth from both Omantel Domestic and Zain Group. The total subscriber increase was largely due to strong growth of Zain subscribers in Sudan, and we also saw EBITDA growth in Zain Group and domestic business mainly driven by Sudan and Iraq with stable margins. Zain Group's contribution to Group net profit increased year-on-year by 11.7 million Omani Rials.

Now, moving to the Omantel domestic performance: this high-level slide will be followed by more detailed slides to take each KPI mentioned here into more detail.

We can see that domestic revenue growth is on account of an increase in quarterly revenue by 27.5 million Omani Rials, representing around 6.4% year-on-year growth, and ICT revenue of 12 million Omani Rials, while EBITDA increased by 3.1 million Omani Rials on account of higher gross margins, partially offset by an increase in OPEX.

The net profit decrease is mainly attributable to an increase in depreciation.

Now, to zoom in on Omantel domestic revenue, you can see that our core telecom revenues, which include mobile, fixed, device and wholesale, have increased by 27.3 million Omani Rials, with growth mainly coming from fixed, device and wholesale components. Mobile remains a stable business despite the competition in the market with the other two operators; we are maintaining our position in core telecom while growing our ICT revenue by 12.2 million Omani Rials, mainly from cloud business and IoT solutions.

Looking at profitability, the gross profit from core operations year-on-year increased by 7.1 million Omani Rials, mainly from fixed broadband. The gross margin of ICT increased by 5.2 million Omani Rials on account of increased cloud, co-location and smart solutions. Core telecom EBITDA increased by 4 million Omani Rials, again on account of increased gross margin, which was partially offset by an increase in OPEX year-on-year.

Now, looking at the core telecom financials, revenue year-on-year showed an increase of 6%. Gross profit increased by 3% year-on-year, and EBIT increased by 4% year-on-year. We maintained our market leadership in a highly competitive market. Growth in postpaid revenue was offset by a decrease in prepaid revenue, while fixed revenue growth was mainly driven by an increase in fixed broadband revenue.

Now, looking at the core telecom operating stats, mainly covering subscribers and ARPU, we can see that the mobile subscriber base increased mainly in the M2M base. Postpaid mobile ARPU showed a marginal decrease on account of a decrease in certain revenues (for example, business or bundling). Prepaid mobile ARPU decreased, attributed to lower data and certain voice revenues.

Now, looking at fixed: fixed broadband subscribers and ARPU increased, mainly driven by customer upgrades to higher-value plans, and we believe that, given the penetration levels, there is still room to grow fixed broadband revenue.

Now, moving to ICT and Emerging Tech on the domestic side: we can see that revenue has increased, again mainly driven by 6.7 million Omani Rials in cloud and hosting solutions and 4.9 million Omani Rials coming from smart solutions. While gross margins vary across business segments, the margin increase is supported by growth from co-location and smart solutions. The EBITDA decline is mainly on account of negative EBITDA from fintech and marketplace entities, which are still at the launch phase. Going forward, digital engagement on the current technical base will support growth in revenues from fintech and marketplace.

This is just a snapshot to give you an overview of **CAPEX**. Our CAPEX for 2025 as of September has reached 86.2 million Omani Rials, which represents a growth of 26%, with CAPEX-to-revenue at almost 17.2%. The increase is mainly contributed by investments in digital and the customer experience platform and marketplace, while additions of 27.6 million Omani Rials were invested in network infrastructure to expand coverage and boost capacity, to help ensure that customer experience is maintained across all touchpoints. Additionally, 16 million Omani Rials were directed toward digital transformation and innovation to enhance customer experience and drive operational efficiency.

Moving to the **cash flow** slide: we have stable cash flow supporting ongoing investments. Operating cash flow has reduced by 1.2%, and investing cash flow has also reduced by 3.3%. Free cash flow has increased by almost 600k Omani Rials. Adjusted for the timing of Zain's dividend year-on-year, free cash flow has decreased by 11.3 million Omani Rials on account of the cash outflow for the investment in associates (ZOI) of about 14.5 million Omani Rials. Cash flow from operations decreased marginally on account of an increase in enterprise and domestic wholesale business receivables.

Lastly, on the **balance sheet**, this is just a snapshot of where we stand today in terms of gross debt composition and repayments, including interest, bank borrowings and bonds. As you can see, we have strong liquidity and solid credit ratings from Moody's and Fitch as well.

This brings us to the end of our updates for Q3 2025. Now we will open the session for Q&A. If anyone has any questions, you may use the hand-raise facility.

I can see… yes, Abhishek, please, you can unmute yourself.

Q&A Session

Abhishek Sukhatme

Can you just throw some light on what is the situation in Sudan and growth going forward in terms of ARPU, subscribers, or penetration?

Omantel Management Team

Abhishek, I think on your first question, in terms of the current situation in Sudan: at a country level, the macro situation in Sudan remains challenging. You would have seen the news in terms of the friction in the country, but in certain major parts of the country that has slowed down, and that is contributing to a good recovery in the performance of the Sudan operations.

Year-on-year, revenue has grown by close to 113%. Net income also went up by 92%. That is one of the major reasons why Zain has reported an exceptional performance when it comes to Sudan operations.

Most of the network-related sites which were off-air last year, Zain Group was able to get them back on air through various modes. So a major part of Sudan is now well connected. That's as far as Sudan is concerned.

Can you just repeat your second question?

Abhishek Sukhatme

If almost all parts of Sudan are covered, and if the penetration level is around 33% currently, do you expect any further increase over the next few years, say four or five years?

Omantel Management Team

In terms of growth, we are still not close to the levels we were at before the war actually broke out in Sudan. So in terms of recovery, there is still some way to go.

In terms of growth in revenue, all of that is subject to the fact that the current situation in Sudan is well controlled. The country has to come back to a normal path, and then it will take some time on the macro side to recover, and that will have its effect on the telco sector as well.

So yes, we anticipate the levels are going to go up much higher. We expect growth from Sudan to be higher than what we are seeing at current levels.

Aisha Al Balushi – Investor Relations

I think there are questions in the chat. Thank you, Sudhakar.

There's a question—two questions—from your end:

1. Do you expect any material change to the reported growth in Iraq or Sudan following the FSA requiring a restatement?
2. How do you expect ARPU to evolve in coming periods? Are you observing any structural pressure related to mix shifts between prepaid and postpaid segments?

I believe the second question is regarding domestic.

Omantel Management Team

Your first question relates to the FSA announcement regarding a couple of qualifications in our auditors' report and the Board's response.

The first qualification is related to IAS 21 the use of functional currency for our Iraq operations going back to 2020, in the year in which Zain Iraq actually shifted from IQD to USD. Now, in terms of accounting, that is a difference of opinion between the auditors. Just to be clear, it doesn't have any impact on the business performance itself. As you see, the business performance of Zain Iraq is pretty stable.

Now, coming back to closure of that qualification: there is an agreement that even at Omantel level, the use of US dollars as the functional currency during the period between 2020 to 2024 is acceptable. So that's not going to have any impact on performance itself.

Now, coming to your second qualification, which is related to the application of IAS 29 for the Sudan operations: if you attended the Zain investor call, Zain management confirmed that based on their preliminary assessment, the impact on equity up until 1 January 2025 is expected to be marginally positive. Although the components of equity will differ, overall equity is expected to be marginally positive for 2025. The preliminary assessment shows that IAS 29 will have a positive impact.

Now, this is at Zain level. At Omantel level, as we mentioned, we are carrying out the same assessment for our Group financials. The reason for doing this assessment again at Omantel level is because we acquired our stake in Zain Group back in 2017, whereas Zain is applying this standard from 2015, which is when Sudan was classified as a hyperinflationary economy.

So, at Omantel level, this assessment is underway. We believe that the assessment may lead to results similar to what Zain is seeing in terms of its impact on equity, but that assessment is still not completed at our end. We will update you as soon as that exercise is done, and it will be part of the year-end financial statements.

Thank you, Sudhakar.

Any additional questions?

Oh yes, he had the second question, which is related to the domestic market:

"How do you expect ARPU to evolve in the coming periods? Are you observing any structural pressure related to mix shifts between prepaid and postpaid segments?"

Omantel Management Team

On the mobility market at the domestic level, if you look year-on-year, it is pretty flat with a marginal decrease.

The mobility market, as you all know, is very fiercely competitive, particularly the prepaid market. With our change in strategy and the investments we have made so far, our postpaid growth is quite good. Even this year, year-on-year, we have grown in postpaid to the extent that it has completely offset our de-growth in prepaid.

Prepaid is something we are closely working on in terms of ensuring that pricing and overall propositions are well maintained.

Omantel, as the market leader, enjoys very healthy ARPU on postpaid—our postpaid ARPU is close to 17.3 Omani Rials. Even on prepaid, ARPU is in the region of close to 3 Rials, much higher than for other operators in the market.

Mobility is a segment that we are closely to maintain our current market share and, with the addition of some new services and the fact that we are investing in this Emerging Tech core with surrounding players, we should be able to engage our customer base and reduce churn even in the core telco business.

Aisha Al Balushi – Investor Relations

Thank you very much, Sudhakar.

Any additional questions?

Yes, Omar. I'll unmute you. Yes, you can unmute yourself.

Commented [HA1]: Do you need to keep it? I don't think is required

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Omar Maher – EFG

Yes, thank you. Thank you very much for the presentation.

I just want to follow up on the competition in the domestic market. You said that the weakness in prepaid has been offset by the momentum in postpaid. But isn't it also true that there is a bit of cannibalization between both segments in a way, because you are, through CVM and other initiatives, working on converting prepaid subscribers to postpaid?

What I'm trying to say is: the strong or healthy performance you're seeing in postpaid is not because of positive momentum in the market itself as much as you are getting subscribers to move from prepaid to postpaid, correct?

Omantel Management Team

Yes, to some extent, yes, there is movement from prepaid to postpaid. If you look at our subscriber base in postpaid, we have maintained our postpaid base.

But Omar, the important thing to note is that ARPU in the case of postpaid is relatively higher compared to prepaid. If we take our active prepaid subscriber base compared to our total SIM base, our ARPU on prepaid is somewhere in the region of close to 5 to 6 Rials—this is considering the active base. When the same subscriber is moved to postpaid, ARPU jumps to a significantly higher number, and that's where the mobility growth actually comes in and offsets the shortfall in prepaid.

So yes, to some extent, there is a big movement of subscribers coming from our own base, but in addition to that, we also have growth coming from subscribers porting from other operators directly into postpaid.

Omar Maher - EFG

So are you saying that you're actually seeing some market share gains—taking away some market share from competitors in the market currently?

Omantel Management Team

Market share, not to a great extent. Our revenue market share has been pretty stable; it is in the region of close to 53%. In terms of subscriber market share, that's close to 40%.

But in terms of revenue market share, we have not gained significantly year-on-year, and at the same time we have maintained our market share and grown revenue from our existing subscriber base. That is why postpaid revenue went up.

Omar Maher – EFG

Thank you, understood.

And then one last follow-up, if I may. Just wanted to get a sense of how the overall market is doing. When you look at the overall pie, it doesn't really feel like there is any growth. It feels like the market is pretty much saturated and basically what you're seeing is movement within that pie between the three operators—or more if you include MVNOs.

Is that assessment, correct?

Omantel Management Team

Omar, if you look at the current state of the market, yes, probably your reading is right.

But as you know, Aisha highlighted the macroeconomic developments, where we see growth coming, at least in the mobility market going forward, from:

1. **Consumer space** – expansion in population, both in terms of Omanis and expatriates. That will start to give some growth in the overall market size, and Omantel, being the leader, should start getting a significant share of that growth.
2. **Developmental projects** – the country has been investing in a lot of developmental projects. That adds to overall economic activity, which will also supplement growth in the mobility segment.

We are hopeful that in the core telco business, growth is going to come, but not in double digits—it will be marginal growth, but positive.

The area where we are also seeing growth is fixed broadband. Fixed broadband penetration is still relatively low, and that's where we have grown significantly. For the coming few years, we believe that in fixed broadband there is still good potential for operators to grow.

Aisha Al Balushi – Investor Relations

In addition to what Sudhakar highlighted here, I just wanted to add: yes, core telco revenue streams are obviously important, but we are focusing on creating clear differentiation between what Omantel offers and what other operators provide. That's why you are seeing us expanding into Emerging Tech and ICT revenue streams, which will ensure that we maximize shareholder value in the long term.

For the short term, as Sudhakar mentioned, most macro indicators are positive. So if the broader economy expands, we will see more core telco revenue growth as well.

Our priority is to ensure the highest stickiness when it comes to our consumer base, and, as Sudhakar mentioned, that is being maintained. The highest growth potential within core telco will come from fixed broadband, where penetration is still relatively low and where we are already seeing growth.

Aisha Al Balushi – Investor Relations

Thank you very much, Sudhakar and Ghassan.

Now we will move to Ahmad for any questions.

I will allow the mic for Abbas—you may ask your question.

Omar Maher – EFG

Thank you.

Tahir Abbas – U Capital

Hi, thank you for the presentation. I have just a couple of quick questions.

The first one is regarding the recent reduction in the royalty rate from 12% to 10%. Has that reduction had a positive impact on margins in this year's results? And secondly, how do you expect this development to impact your profitability going forward in the next couple of years? What would be your strategy—are you going to pass that benefit to the end consumer or retain it completely?

So this is regarding the reduction in royalty rate.

My second question is specifically with respect to the launch of Starlink in Oman. How do you see this development? Do you feel this is increased competition for your broadband services in the country, and what's your view on that from both residential customers as well as a commercial angle?

Thank you.

Ghassan Al Hashar – Chief Financial Officer

Thank you.

On the royalty rates, the change is effective from 1st January, so yes, there is a positive impact of close to 3.1 million Omani Rials reflected in the nine-months results. Going forward, this is a very good development that has improved our margins.

Regarding your question on whether we will pass this to customers: it's not as straightforward as you highlighted. At Omantel, we always believe we should present the consumer with more value; that's where I highlighted earlier that we can increase stickiness and bring more value-added services to the customer.

On the second point, related to Starlink: yes, Starlink was licensed by the TRA earlier this year. As you know, Oman is geographically large, from the north in Musandam all the way south to Salalah. We have many areas that are not covered fully with the most advanced terrestrial network technologies. I believe Starlink can come in useful areas where it is not feasible for telecom operators to invest heavily; in such areas, satellite services can complement coverage.

However, we still believe that as terrestrial operators we will continue to offer better services in terms of consistency, experience and speed. Starlink provides an alternative option, particularly in more remote areas, but we do not see it as a major threat or direct competition at this stage. As the incumbent telco operator, we have multiple alternative solutions to give our customers versus the more limited type of service that comes from satellite providers.

Aisha Al Balushi – Investor Relations

Thank you very much, Mr. Ghassan.

Now I will unmute Bijoy; you may ask your question.

Ghassan Al Hashar – Chief Financial Officer

Perfect, thank you, gentlemen, for the call.

My first question is about Zain. Zain had an unexpected dividend payout in November, which usually comes as a final dividend next year, early in March or April. Any thoughts about that? Why is Zain paying additional dividends and how do you plan to use it? Would you be increasing your dividends as well?

Ghassan Al Hashar – Chief Financial Officer

Bijoy, just to highlight: I'm sure you've seen the market disclosures from both Omantel and Zain announcing the roadmap or plan to implement IAS 29, and prior to that, the announcement of the distribution of dividends by Zain during the month of November.

We are receiving that dividend against the full profits of 2025. Zain achieved an EPS of 41 fils and they have distributed in 2025:

- in Q1: 25 fils (related to the prior year 2024),
- in Q3: an additional 10 fils, and
- now another 25 fils.

So the Q1 25 fils was related to 2024; the subsequent payouts are related to 2025.

If we look at the total final payment for 2025, which was supposed to be paid in March/Q1 or early Q2 of 2026, it has been brought forward to this year 2025. This does not mean there will be another payment in Q1 similar to past practice.

Zain's commitments in terms of dividend policy have been clarified to be 35 fils per year. This latest payment is equivalent to about 29 million Omani Rials coming in this quarter.

On your question of what we are planning to do with it: it will be used in preparation for our working capital and future payments that come at the beginning of the year, which include dividends, royalty, and tax, in addition to other working capital requirements.

I hope this covers your question.

Bijoy Joy

Yeah, thank you for that clarification.

I just have one additional question, so in total two.

My second question is overall: how should we think about Omantel? Do you plan to… I've seen that there has been an increase in CAPEX, so how do you plan to use cash flows going forward? Is it more towards CAPEX and investments, or will it be more towards paying back to shareholders or reducing debt? Where is the focus?

Ghassan Al Hashar – Chief Financial Officer

Of course, the focus—as we highlighted in our strategy—is that we will continue transforming Omantel from telco to techco, and therefore these investments will need to continue.

That does not mean we will stop investing in the core; we will continue our journey of investing in Emerging Tech and ICT, while maintaining investments in the core network and services.

Any excess cash flows that come from monetization of any of our assets will be used for deleveraging and reducing our debt levels.

Bijoy Joy

Understood. Thank you, that's it from my side. Thank you so much.

Aisha Al Balushi – Investor Relations

Thank you, Bijoy.

I think now we will go to the chat box questions from Baha:

"What do you think Omantel's cash flow will be by the end of this year? It will be better or worse than last year?"

I think this was partially answered by the CFO.

"Does M2M include or exclude in your ARPU calculation?"

M2M is excluded in our ARPU calculation; our ARPU calculation excludes M2M, yes.

"What are the main drivers in the increase of fixed revenue? Is it the result of higher prices?"

I think this is also covered in the presentation and by Sudhakar. The fixed revenue growth is on the back of fixed broadband revenue, mainly from migrating customers to higher-value plans.

"Can you shed light on the impairment loss of non-financial assets seen this year in the 'other income' section? What is this attributed to?"

This is from Thomas.

Omantel Mangement Team

Thomas, I'm not sure what impairment loss you are referring to, because in the nine-months financial statements there is no impairment loss recorded on non-financial assets. Last year, in the nine-months period, there was an impairment loss recorded for Zain's assets in Sudan operations, but this year there has been no impairment loss recorded.

Aisha Al Balushi – Investor Relations

Thank you, Sudhakar.

Now we have, I think, Omar with another follow-up question. I think this might be the last question before we conclude the meeting. Go ahead, Omar.

Omar Maher - EFG

Yes, thank you, Aisha.

Just to follow up on what we discussed regarding the domestic market—Sheikh Ghassan and Sudhakar, you mentioned that you're seeing positive momentum from macro indicators. I'm just wondering if you have a ballpark idea of when this is going to materialize. When do you think this will translate into better growth in the domestic market?

Ghassan Al Hashar – Chief Financial Officer

To answer this question, I believe it's important to draw a line between:

- the **core telco revenue stream** and the competitive landscape there, and
- **ICT**, which is the other side of the business where we are going now.

On ICT, the market is very much under-penetrated, and we see high-potential opportunities in B2B and B2G. This is what we've been highlighting earlier: being the incumbent operator and the country's national partner for digital transformation as we move forward with Oman Vision 2040.

We are going to see these ICT opportunities materialize as fast as we can execute. However, on the consumer front within core telco, this is an area that will probably take more time, and it is difficult for us to draw a ballpark figure there.

The indicators are positive and there will be a lag between macro indicators and growth in the market. How long that will take depends on the continuity of economic growth.

In ICT, we are hearing of many projects coming in relation to smart cities and so on. We have kept highlighting in several meetings and investor conferences that we are definitely looking at high-growth areas as part of the ecosystem Aisha (earlier) presented: subsidiaries giving services in:

- cloud solutions,
- data centers,
- IoT,
- smart cities,

and of course, on the B2C side, we are also seeing potential opportunities in Emerging Tech as mentioned: fintech, marketplace, and the overall customer experience platform we have.

Aisha Al Balushi – Investor Relations

Just to complement what Mr. Ghassan has mentioned, Omar: we are also looking at our current base and how we monetize it. We already have a large existing customer base, and management is focused on introducing new products to this existing base, whether in core telecom or in Emerging Tech. There is a clear focus from management on both the core telecom side and the “new core” to protect our base and increase its value, and you can see this reflected in the ARPU numbers.

I hope this is clear, Omar.

If anyone has any additional questions… we have come to the end of the session for Q3. On behalf of management, we really thank you for joining us. This has been a very engaging session.

And of course, I hope everyone received the invite for the CEO dinner on Sunday. I really hope you spare us some time and join us so we can show you our growth engines on the 24th of November. We look forward to seeing you at the dinner and then at the year-end results next year.

We wish you happy holidays in December as well, and see you next year, inshallah—and at the dinner as well.