

OOREDOO PALESTINE

Minutes for Q1'24 Review (Tuesday May 21st, 2024)

Review Waived

Attendees:

OG: Ahmad Al Neama, Nagib Khan, Alok Verma, Htar Thant Zin, Helene Le Caignee, Sean Borejszo, Vipul Sharma, Todor Dimitrovski, **OG-Online:** Emre Cicek, Anandi Agnihotri, Tomas Ramirez, Mark Brownsecombe, Anton Landman, Bilal Kazmi, **OP:** **Samer Fares** (CEO), **Naim Nazzal** (CTO), **Shadi Qawasmi** (CCO), **Nancy Shamieh** (Finance Dir.), **Montaser Abdellatif** (Marketing Dir.), **Rinad Musleh** (Financial Planning & Analysis Manager), **Osama Qawasma** (Chief Regulatory officer.), **Mohammad Al Hasan** **Apologies:** Aziz Ahmad M Aluthman Fakhroo, Abdulla Al Zaman, Rene Werner, Hilal al Khulaifi, Fatima Al Kuwari, Saim Yaksan, **Tareq Tamimi** (Acting CHRO), **Mohannad Joma** (Analysis & Assurance Associate Dir.),

	Minutes	Action
1.	<p>Opening Message:</p> <p>Meeting was waived as physical review is not required and small points can be dealt with offline. Q&A has been sent and there were only comments and no specific question.</p>	
2.	<p>Q&A</p> <p>PALESTINE – Apr'24 – Q&A and deep dives</p> <div> <div> <p>COMMERCIAL CONSUMER</p> <ul style="list-style-type: none"> No question <p>BUSINESS SERVICES B2B</p> <p>B2B</p> <p>Due to ongoing war situation overall B2B service revenue is impacted and remained behind YTD original budget by -17%. Absolute value behind budget by -\$1.7Mn</p> <p>Revenue: On MoM & EDB basis, the mobile revenue increased by 3%. This is driven by increase in outgoing voice calls due to Eid festival and improvement in net adds position.</p> <p>Sub-base: Postpaid sub-base grew by 0.20% on MoM basis whereas data only SIM's sub-base grew by 2.2%. Gross Adds and churn both improved on MoM basis.</p> <p>ARPU & ARPA: On EDB basis, ARPU & ARPA both increased by 2% respectively.</p> <p>Usage, Yield and Margins: Data usage: cross postpaid and data only SIM's remained flat whereas data yield increased by 1% on MoM basis.</p> <p>Voice usage: increased by 7% whereas voice yield dropped by -5% on MoM basis.</p> <p>Gross Margin & EBITDA both remained behind YTD budget by -13% (YoY @ -9%)</p> <p>Bad debt risk: OP has taken the provision due to increased bad debt risk in Gaza strip.</p> <ul style="list-style-type: none"> C1: The budget reset is yet to be done. C2: Data Accuracy: Slide # 27, the YTD Budget for CoS is reported as -\$536k whereas in the Cognos excel the reported budget is -\$1091k. o Act.: To be corrected. </div> <div> <p>WHOLESALE</p> <p>Driven by war and high Inbound international voice traffic, the international wholesale YTD revenue is overachieved by 519% (YoY +400%).</p> <p>The international voice revenue delivered surplus of \$5.4Mn over budget on YTD basis.</p> <p>Watch out point</p> <ul style="list-style-type: none"> Collection of debt of International incoming offnet traffic <p>FINANCE</p> <ul style="list-style-type: none"> No question </div> </div> <p>ooredoo</p> <p> 26 May 2024 2</p>	

PALESTINE – Apr'24 – Q&A and deep dives



TECHNOLOGY

- **C1: Active sites:** As of 16 May'24, the number of active sites in Gaza is 74 sites (was 81 sites on 21 Apr'24).
- **C2: Capex spend:** YTD is 26% below budget (USD 2.3 Mn out of USD 3.1 Mn), mainly due to delay in projects execution which is caused by the delay in customs clearance of the sites and MPBN hardware.

SMART CAPEX

- No question.

STRATEGY

- No question.

SOURCING

- No question

LEGAL

- No question.

REGULATORY

- No question.

HR

- No question.

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| 26 May 2024 | 3

PALESTINE – Apr'24 – Q&A and deep dives



OPEN ACTIONS / WATCH OUT POINTS:

1. **Assignment of the 4G spectrum with Israel:** Israeli announced they will allow 4G for Palestinian operators. **OP 26/11/2023:** Israel initially assigned additional 4G and 5G spectrum to the Palestinian Authority. Ooredoo Palestine and Jawwal had many meetings to split the spectrum among the two companies, which resulted on the following split:

Frequency	Jawwal	Ooredoo
800 MHz	10	0
900 MHz	4.6	10.4
1800 MHz	3	7
2100 MHz	10	10
2600 MHz	10	10
3500 MHz	40	40

Ooredoo Palestine and Jawwal shared the agreed split with the Ministry of Telecommunication and both companies are now awaiting the 1st draft 4G/5G license.

Watch out point

- Collection of **debt of International incoming offnet traffic**

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| 26 May 2024 | 4

COMMERCIAL

CONSUMER

- No question

BUSINESS SERVICES

B2B

Due to ongoing war situation overall B2B service revenue is impacted and remained behind YTD original budget by **-17%**. Absolute value behind budget by **-\$1.7Mn**

Revenue: On MoM & EDB basis, the **mobile** revenue increased by **3%**. This is driven by increase in

outgoing voice calls due to EID festival and improvement in net adds position.

Sub-base: Postpaid sub-base grew by 0.20% on MoM basis whereas data only SIM's sub-base grew by 2.2%. Gross Adds and churn both improved on MoM basis.

ARPU & ARPA: On EDB basis, ARPU & ARPA both increased by 2% respectively.

Usage, Yield and Margins: Data usage across postpaid and data only SIM's remained flat whereas data yield increased by 1% on MoM basis.

Voice usage increased by 7% whereas voice yield dropped by -5% on MoM basis.

Gross Margin & EBITDA both remained behind YTD budget by -13% (YoY @ -9%)

Bad debt risk: OP has taken the provision due to increased bad debt risk in Gaza strip.

- C1:** The budget reset is yet to be done.

- C2: Data Accuracy:** Slide # 27, the YTD Budget for CoS is reported as -\$536k whereas in the Cognos excel the reported budget is -\$1091k.

- *Act.: To be corrected.*

WHOLESALE

Driven by war and high Inbound international voice traffic, the international wholesale YTD revenue is overachieved by 519% (YoY +400%).

The international voice revenue **delivered surplus** of \$5.4Mn over budget on YTD basis.

Watch out point

- Collection of **debt of International incoming offnet traffic**

FINANCE

- No question

TECHNOLOGY

- C1: Active sites:** As of 16 May'24, the number of active sites in Gaza is 74 sites (was 81 sites on 21 Apr'24).

- C2: Capex spend:** YTD is 26% below budget (USD 2.3 Mn out of USD 3.1 Mn), mainly due to delay in projects execution which is caused by the delay in customs clearance of the sites and MPBN hardware.

SMART CAPEX

- No question.

STRATEGY

- No question.

SOURCING

- No question

LEGAL

- No question.

REGULATORY

	<ul style="list-style-type: none"> •No question. <p>HR</p> <ul style="list-style-type: none"> •No question. <p>OPEN ACTIONS / WATCH OUT POINTS:</p> <ul style="list-style-type: none"> • Assignment of the 4G spectrum with Israel: Israeli announced they will allow 4G for Palestinian operators. OP 26/11/2023: Israel initially assigned additional 4G and 5G spectrum to the Palestinian Authority. Ooredoo Palestine and Jawwal had many meetings to split the spectrum among the two companies, which resulted on the following split: Ooredoo Palestine and Jawwal shared the agreed split with the Ministry of Telecommunication and both companies are now awaiting the 1st draft 4G/5G license. • Collection of debt of International incoming offnet traffic 	
3.	Closing Words	
4.	Open Actions – General reminder that open actions as shared by the OG Performance Team should be addressed and followed up by the dates requested.	