# REACHING NEW HEIGHTS

Annual Report 2023

بسم الله الرحمن الرحيم

"In the Name of Allah Most Gracious Most Merciful."

**His Highness Sheikh Tamim Bin Hamad Al Thani**
Amir of the State of Qatar

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# 2023 A YEAR OF GROWTH

In 2023, Ooredoo continued to shine on the global stage, building upon the momentum of our previous successes. As our operations evolved and expanded, we recorded remarkable results, creating greater value through a strong financial position and sustainable business practices. This further cemented our position as a leading telecommunications provider.

This integrated annual report offers a comprehensive overview of our financial achievements and strategic initiatives, underscoring our relentless pursuit of innovation and excellence. With a focus on our ongoing transformation towards a 'Smart Telco' business model, we are proud to demonstrate the strides we've made and the milestones we've achieved in building a more connected, inclusive, and sustainable future for all.

# 2023 HIGHLIGHTS

## Financial

### Revenue

Amount in QR millions

**23,164**

| | |
|---|---|
| 2023 | 23,164 |
| 2022 | 22,698 |

### EBITDA and EBITDA margin (%)*

Amount in QR millions

**9,623**

| | | |
|---|---|---|
| 2023 | 9,623 | 42% |
| 2022 | 9,129 | 40% |

### Net profit attributable to Ooredoo shareholders

Amount in QR millions

**3,016**

| | |
|---|---|
| 2023 | 3,016 |
| 2022 | 2,360 |

### Free cash flow*

Amount in QR millions

**6,802**

| | |
|---|---|
| 2023 | 6,802 |
| 2022 | 6,401 |

### Dividend per share

Amount in QR

**0.55**

| | |
|---|---|
| 2023 | 0.55 |
| 2022 | 0.43 |

### Net debt & Net debt / EBITDA*

Amount in QR millions

**6,831**

| | | |
|---|---|---|
| 2023 | 6,831 | 0.7 x |
| 2022 | 10,196 | 1.1 x |

* Normalised for major non-recurring items

## Operational

### Market leadership

Ooredoo's robust customer acquisition strategy, coupled with targeted Customer Value Management (CVM) campaigns and improved customer experience, has bolstered our customer base. We have successfully migrated existing high-value customers to premium segments, enhancing both telco and non-telco offering.

We have sustained strong #1 or #2 positions in seven key markets, including leading positions in Qatar, Iraq, and Tunisia, and a robust second position in Oman, Palestine, Maldives, and Indonesia.

Our customer-centric approach saw our customer base grow to more than 156 million across our footprint, including IOH, reflecting our commitment to leading in customer experience.

The monthly active users of our self-care digital touchpoints grew by 43% in 2023, mainly driven by a significant increase in active app users in Iraq and the relaunch of the Ooredoo App in Algeria.

### Network

Ooredoo Group invested significantly in network infrastructure and modernised IT operations with a digital approach in six markets, ensuring it remains best-in-class.

Ooredoo Oman continued roll out of 5G, with 5G population coverage reaching almost 40%.

Ooredoo Kuwait completed a trial for "Advanced 5G" and launched Wi-Fi 7, becoming the first operator in the country to offer this technology specifically for businesses. It also became the first operator in the country to integrate Narrowband Internet of Things (NB-IOT) technology into its network, setting new standards for connectivity and innovation.

Asiacell Iraq saw 3,800TB data usage, 3.6 million roamers and 72 million phone calls made successfully on its network during the Arbaeen event with over 22 million visitors. The company also continued its fibre rollout and introduced 4G+ technology in major cities across the country.

Ooredoo Algeria continued its network densification efforts achieving a total of 7,109 sites and has successfully deployed new 4G sites, providing additional capacity on its 4G network.

Ooredoo Algeria carried out a major network expansion and modernisation initiative with 740 new sites; 1,225 TDD sites; the rollout of more than 1,400km of fibre; the swap and modernisation of 2,877 RAN sites; and the swap of 136 MPLS sites from Juniper to ZTE.

Ooredoo Tunisia introduced enhanced fixed wireless access (FWA) speeds at 10Mbps and launched IPV6 in mobile and fixed services for the first time in Tunisia.

### Innovation

Ooredoo Qatar was the world's first operator to deploy 50GPON connectivity and launched groundbreaking Fiber to the Room (FTTR).

Ooredoo Qatar also introduced the Ooredoo Business Smart Waste Management solution, utilising IoT technology to enhance waste management for businesses.

Ooredoo Kuwait became the first operator in Kuwait to launch Google Pay and introduced an innovative and fully automated digital sales platform, a first among the OpCos.

Ooredoo Group partnered with Google for API development, with Microsoft to launch new services for business customers and with Huawei for Fintech.

Ooredoo Group launched a new TV/entertainment marketplace.

### Governance

Ooredoo Group appointed Dr. Samer Fares as the new Chief Executive Officer of Ooredoo Palestine.

Chris Peirce was appointed as Acting Chief Executive Officer of Ooredoo Myanmar.

Roni Tohme was appointed as the new Chief Executive Officer of Ooredoo Algeria.

Bassam Al Ibrahim was appointed as the new Chief Executive Officer of Ooredoo Oman.

We have continued our commitment to finding and promoting strong leadership. During 2023, we appointed Mr. Hilal Mohammed Al Khulaifi as Group Chief Legal, Regulatory & Governance Officer, and Mr. Timos Tsokanis as Group Chief Technology and Information Officer.

### Community

Ooredoo Qatar partnered with Seashore Group to implement a recycling programme for unwanted mobile devices and received an award for Best CSR initiatives in ICT sector at the Qatar CSR Summit Awards 2023.

Asiacell Iraq carried out initiatives such as the 'Learning for a Cause', 'TEDxNishtiman' and United Nations Development Programme Projects, exemplifying the company's commitment to community welfare.

Ooredoo Maldives continued to foster a culture of innovation through initiatives such as the Inter-school STEM Fair and promoting national cyber-safety efforts with digital literacy programmes.

From the onset of the latest hostilities, Ooredoo Palestine has led support for its communities with the provision of free minutes, SMS and 2G/3G data.

Ooredoo Tunisia engaged in a national campaign to reforest 70 hectares in the Bargou forest, restoring areas damaged by fires.

# CHAIRMAN’S MESSAGE

**“In 2023, Ooredoo marked significant strides towards its transformation into a smart telco, leveraging cutting-edge technology and strategic partnerships. Our disciplined strategy not only navigated industry complexities but also unlocked shareholder value through operational efficiencies and key strategic initiatives.”**

**H.E. Sheikh. Faisal Bin Thani Al Thani**
Chairman

## Dear Shareholders,

In 2023, Ooredoo marked significant strides towards its transformation into a smart telco, leveraging cutting-edge technology and strategic partnerships. Our disciplined strategy not only navigated industry complexities but also unlocked shareholder value through operational efficiencies and key strategic initiatives.

A testament to our success is the historic agreement with Zain Group and TASC Towers Holding, forming the largest telecommunications tower company in the MENA region. This milestone reflects both our ambition and the impact of our focused strategy.

Reflecting on the year’s achievements, I am pleased and proud that Ooredoo Group upheld its commitment to excellence across our global footprint, delivering robust connectivity, exceptional customer experiences, and maximising stakeholder value.

The strength of our commitment is reflected in our brand positioning, ‘Upgrade Your World’, with the promise to enable human progress through innovation. Our company culture - rooted in collaboration, innovation, and adaptability - provides the foundation for our continued success. We are ready to embrace the challenges and opportunities that lie ahead.

## Solid Performance

Revenue increased by 2% year-on-year to QR 23.2 billion in 2023 (FY 2022: QR 22.7 billion), with strong performances in Iraq, Algeria, Kuwait, and Maldives. This was partially offset by a decline in Revenue in Qatar as well as in Myanmar and Palestine (due to foreign exchange depreciation).

Group EBITDA was QR 9.7 billion (FY 2022: QR 9.4 billion). The strong profitability improvement in Iraq, Algeria, and Kuwait was partially offset by lower EBITDA in Qatar, Oman, and Tunisia. The company maintained a healthy EBITDA margin of 42% (FY 2022: 41%).

Normalized Net Profit reached QR 3.3 billion in 2023. Our consolidated customer base stood at 57.6 million driven by growth in most markets. CAPEX for the period stood at QR 2.8 billion. Normalised free Cash Flow increased by 6% to reach QR 6.8 billion.

## Optimising our Value-Focused Portfolio

In response to the changing landscape of the telecommunications industry, we have applied new strategies and capabilities that ensure we stay ahead of the competition.

A key pillar of our strategy has been the shift towards a value-focused portfolio, continuously reviewing our assets to achieve or maintain strong #1/#2 market positions and implementing a delayering business model to create value, streamline operations and reduce costs. For our non-core assets, we are breaking down the traditional vertically integrated telco business model into specialised independent entities that can operate more efficiently, which will unlock significant capital and maximise shareholder value.

Two years on from the formation of Indosat Ooredoo Hutchison (IOH) in Indonesia, the strategic merger exceeded expectations- delivering stronger results than originally forecast – with healthy EBITDA margin of 47% for FY 2023.

The sale of our operations in Myanmar to Nine Communications Pte. Ltd is still subject to customary closing conditions, including regulatory approvals in Myanmar. We are confident this transaction will deliver strategic and operational value over time.

We have also made important progress towards delayering. As mentioned, in December 2023, Ooredoo Group signed agreements with Zain Group and TASC Towers Holding to create the largest tower company in the MENA region, in a cash and share deal. The enlarged tower company, comprising approximately 30,000 towers, has a combined estimated current enterprise value of USD 2.2 billion. Ooredoo and Zain will retain stakes of 49.3% each in the newly restructured entity, through an asset and cash equalisation process. The founders of TASC will retain the remaining shareholding, through Digital Infrastructure Assets LLP, and will continue to manage the operations of the business.

Following the same approach, we have explored strategic options that could provide a more efficient capital structure for our data centres. Data demand is accelerating across the MENA region and Ooredoo has significant sectorial advantages including existing and greenfield assets, and close relationships with hyperscalers, as well as large enterprise clients. After months of planning, we have entered final negotiation stages with potential strategic partners to establish a new, cross-country data centre company. It will be a standalone entity that will see us transfer the operations of our existing data centre facilities into it.

In parallel, we see an opportunity to crystallise value from a strong demand for international connectivity, related to the growth of the datacentre business in our region. This is further reinforced by various hyperscalers looking for redundancies to existing international connectivity routes. Being a strong player in the region, owning and operating multiple international landing stations and sea cable assets, we will pursue these growth opportunities wherever they add shareholder value.

In the area of fintech, we have established Ooredoo Financial Technology International (OFTI), a game-changing venture fully owned by Ooredoo Group. This venture is already live and a market leader in Qatar and the Maldives, with expansion plans to Oman, Iraq, Kuwait and Tunisia.

## Boosting our Network and our Social Impact

Ooredoo continues to deploy cutting edge technologies, transforming the way people, businesses, and communities live, work and interact. In Qatar, 98.92% percent of the country population is now covered with Ooredoo’s 5G network, with a steady roll-out progressing in other markets.

The network is increasingly empowered with Artificial Intelligence, as demonstrated by the successful implementation of AGILITY, a mobile network fault management system in Ooredoo Qatar. Powered by AI and ML technologies, AGILITY utilises advanced analytics and automation to monitor our mobile network operations in real-time. This proactive approach detects and addresses potential issues before they impact the customer experience.

Beyond technological advancements, Ooredoo actively pursued Environmental, Social, and Governance (ESG) targets through 2023. Detailed progress in these areas is outlined in the dedicated ESG section of this report.

## Fostering Strong Leadership and Financial Resilience

We have continued our commitment to finding and promoting strong leadership. During 2023, we appointed Mr. Hilal Mohammed Al Khulaifi as Group Chief Legal, Regulatory & Governance Officer, and Mr. Timos Tsokanis as Group Chief Technology and Information Officer.

We have also appointed Mr. Bassam Al Ibrahim as CEO of Ooredoo Oman, Mr. Roni Tohme as CEO of Ooredoo Algeria, Dr. Samer Fares as CEO of Ooredoo Palestine and Mr. Chris Peirce as Acting CEO of Ooredoo Myanmar.

We maintain robust investment-grade ratings from key ratings agencies on their long-term outlook for Ooredoo: Standard & Poor’s: A-; Moody’s: A2; and Fitch: A-.

In line with our stated strategy and following the success of our transformation journey, the Board has decided to recommend to the General Assembly the distribution of a cash dividend of QR 0.55 per share, the highest in 14 years. Our dividend policy is sustainable and progressive and aims for a pay-out ratio between 40% and 60% of normalised Net Profit.

In closing, we offer Ooredoo’s thanks to the leadership of our nation. His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar, has shown us that anything is possible when we work together for a common goal. Qatar continues to pursue its vision of technologically development and sustainable growth, and Ooredoo continues to do everything within our power to support these goals.

I would also like to thank the Board Members for their guidance, as well as our customers, shareholders, and employees for their contributions. These results are made possible by their support and engagement.

In the face of the challenging circumstances in Palestine, our hearts go out to our colleagues and the entire Palestinian people enduring the impact of war. The resilience and strength displayed by our team in Palestine during these challenging times are truly commendable. We stand in solidarity with them. As a global family, we remain committed to fostering an environment of care, compassion, and unity across all our operations. Our thoughts and prayers are with everyone affected by the ongoing situation.

Looking to the future, we are confident that Ooredoo will continue to deliver lasting value for our shareholders. We offer a clear-sighted strategy, experienced leadership and advanced networks that provide the highest levels of customer experience and innovation. Working together, we will achieve even stronger results in the months and years ahead.

**Faisal Bin Thani Al Thani**
Chairman

12 February 2024

# BOARD OF DIRECTORS

**H.E. Sheikh Faisal Bin Thani Al Thani**
Chairman

H.E. Sheikh Faisal Bin Thani Al Thani has chaired the Board of Directors at Ooredoo Group since March 2020. He is also the Chief of Asia-Pacific & Africa Investments at Qatar Investment Authority (QIA).

In his role at QIA, one of the world's largest sovereign wealth funds, H.E. Sheikh Faisal Bin Thani Al Thani is responsible for leading the regional investments in multiple sectors and diversified asset classes in Asia, Africa, and the Middle East.

His Excellency has previously held the position of Chief Investment Officer at Qatar Foundation Endowment. He also played key leadership roles in the Investment Department at Qatar Central Bank. In addition, he was the Chairman of Qatar Banking Studies and Business Administration Secondary School and the Deputy Chairman of Vodafone Qatar, as well as being a Board member at Ahli Bank, Qatari Diar, Nakilat, Bharti Airtel and Siemens Qatar.

H.E. Sheikh Faisal Bin Thani Al Thani is currently the Chairman of Lesha Bank, and Board member at Qatar Insurance Company and Qatar Airways. H.E. is also Deputy Chairman of Boyner Retail & Textile Investments Inc. in Turkey.

His Excellency holds a degree in Business Administration from Marymount University in the USA and an Executive MBA from HEC Paris.

**Dr. Nasser Mohammed Marafih**
Deputy Chairman

Dr. Nasser Mohammed Marafih has extensive experience in the telecommunications sector having joined Ooredoo in 1994 (under its earlier brand of 'QTel'). As Director – Strategic Planning, he was instrumental in the launch of GSM services in 1994, the introduction of the internet in 1996 and the privatisation of Ooredoo in 1999.

Dr. Nasser served as CEO of Ooredoo from 2001 until 2015, spearheading global growth across the Middle East, North Africa and Southeast Asia. He currently serves on the Boards of Ooredoo Group, and Member of the Board of Trustees of the Community College of Qatar.

**Mr. Nasser Rashid Al Humaidi**
Member

Mr. Nasser Rashid Al Humaidi joined the Board in 2011. He has held several important leading positions in information technology, business and digital transformation that relate to a number of sectors including utilities, telecoms, oil and gas, real estate and banking.

He has also contributed to national steering committees, as well as advising on business and communications technologies. This diverse background brings a wealth of experience that contributes significantly to the Ooredoo Board.

**Mr. Aziz Aluthman Fakhroo**
Member

Mr. Aziz Aluthman Fakhroo was appointed as Managing Director and CEO of Ooredoo Group since November 2020, he has been a Board member of Ooredoo Group since 2011. From 2014 to 2020, he served as Deputy Undersecretary for Budget, Treasury and Financial affairs at the Ministry of Finance. Previously (2007- 2014) he was the Co-head of Mergers and Acquisitions at Qatar Investment Authority (QIA) , where he led some of the sovereign wealth fund's most high-profile deals.

In March 2021 he was appointed as Board member of KATARA Hospitality and member of the Board of Trustees of Qatar Museums and in December 2021 he was appointed on the Board of Commissioners of Indosat. He served as Board Member at Accor SA from 2015 till 2022. He also served as member of the Board of United Arab Shipping Company, Canary Wharf Group, Chelsfield LLP and CITIC Capital.

Mr. Aziz Aluthman Fakhroo holds a Bachelor of Business Administration from ESLSCA University.

**H.E. Mr. Turki Mohammed Al Khater**
Member

H.E. Mr. Turki Mohammed Al Khater joined the Ooredoo Board in 2011. He currently holds a number of prominent positions, including President of the General Retirement and Social Insurance Authority, Chairman of the United Development Company (UDC) and Board Member of Masraf Al Rayan. He has previously held the position of Director General of Hamad Medical Corporation and Undersecretary of the Ministry of Health. Mr. Al Khater brings significant experience in business and finance to the Board.

**Sheikh Sauod Bin Nasser Al Thani**
Member

Sheikh Sauod Bin Nasser Al Thani joined Ooredoo Group Board in 2021. Prior to that, he was Group Chief Executive Officer from 2015 to 2020. He was also Ooredoo Qatar's CEO from 2011 to 2015.

Sheikh Sauod holds a Bachelor of Arts in Public Administration from Western International University, in Phoenix, Arizona. He also holds a bachelor's degree in Business Administration.

He joined Ooredoo (then Qtel) in 1990, where he oversaw the execution of a number of key projects, such as the restructuring of the company in 1998, revision of the company's organisational structure in a 2000, and revision of the company's policy for evaluations and compensations, in collaboration with KPMG, the company's auditors.

As Ooredoo Qatar's CEO, he led the expansion of the company's products and services portfolio, making Qatar one of the most successful and consistent markets in the Group. During his tenure as Group CEO, Sheikh Sauod commenced and led the execution of the company's digital transformation strategy, leaving a lasting impact on the customer experience across the Group's global footprint.

In addition, Sheikh Sauod has held a number of key positions across the Ooredoo Group, including Chairman of the Board for Ooredoo Kuwait; Deputy Chairman of Ooredoo Oman; and Deputy Chairman of Asiacell. He is also a Board member for Arabsat; Board member for Hellas-Sat; and Board member for INJAZ Qatar.

**Mr. Yousif Mohammed Al-Obaidli**
Member

Mr. Yoused Al-Obaidly joined the Board in 2020. He is the Group CEO of beIN MEDIA GROUP ("beIN"), a leading global sports, entertainment and media group, headquartered in Qatar.

Mr. Al-Obaidly manages one of the largest portfolios of sports rights in the world as the head of beIN MENA, beIN SPORTS France, Americas, and Asia-Pacific. He is also the CEO of Digiturk in Türkiye and responsible for MIRAMAX studios. In 2022, Mr Al-Obaidly oversaw the successful launch of the Group's new ground-breaking OTT platform, 'TOD'. TOD was the Official Streaming Partner of the FIFA World Cup Qatar 2022.

Mr. Al-Obaidly is a board member of Qatar Sports Investments, the majority-owners of Paris Saint-Germain, Premier Padel and other interests; and Qatar Satellite Company, Es'hailSat. In January 2020, SportsPro Media named Mr. Al-Obaidly as one of only 10 "Influencers in the world of sport", alongside the CEOs of Nike, Disney and others. Mr. Al-Obaidly brings a wealth of experience in international business to the Board.

**Mr. Abdulla Mubarak Al-Khalifa**
Member

Mr. Abdulla Mubarak Al-Khalifa, who joined the Board in 2018, is Group Chief Executive Officer of QNB.

Prior to his current position, he was Executive General Manager – Chief Business Sector Officer at QNB. He brings over 26 years of experience in financing businesses and projects, strategic planning, sales and marketing, risk management, mergers and acquisitions.

**Eng. Essa Hilal Al Kuwari**
Member

Eng. Essa Hilal Al Kuwari joined Ooredoo Board in March 2020. He is also the President of Qatar General Electricity & Water Corporation "KAHRAMAA". He is the Chairman of the Board of Qatar National Broadband Network (QNBN), a Board member of NAKILAT and the President of the Arab Renewable Energy Commission (AREC). Beside his membership in various technical committees in the state, he represents Qatar as Board member of Gulf Cooperation Council for Electricity Interconnection Authority (GCCIA).

Eng. Essa Hilal Al Kuwari also has some academic contributions, such as Chair of the Steering Committee of Texas A&M University's Smart Grid Centre – Qatar, Vice Chairman of Hamad Bin Khalifa University Board of Trustees and member of Qatar University's Advisory Council for the faculties of Engineering and Economics. Eng. Essa Bin Hilal Al Kuwari brings substantial business and technical expertise to the Board.

**H.E. Mr. Mohammed Bin Nasser Al-Hajri**
Member

H.E. Mr. Mohammed Bin Nasser Al-Hajri, who joined the Board in 2021, is the Director of Studies and Research at the Emiri Diwan. His Excellency is with the Emiri Diwan since 1995, where he has held several key positions. After completing his studies in Economics at Qatar University, he pursued additional studies at the London School of Economics (LSE) and Harvard. He is currently a member of the Qatar Fund for Development, Qatar Charity and Lesha Bank.

H.E. Mr. Mohammed Bin Nasser Al-Hajri brings a wealth of experience to the Board.

# CEO & MD'S MESSAGE

**"In 2023, Ooredoo made substantial progress on our journey to transform into a smart telco, with a focus on operational efficiency and a strategic shift to a telecom and infrastructure holding. The creation of MENA Tower Group, the largest tower infrastructure provider in the MENA region, and the establishment of a standalone Data Centre Company were landmark achievements. Ooredoo's financial position remained strong, with revenues reaching QR 23.2 billion, and a commitment to efficiency and innovation positioned us among the top 10 telcos globally for shareholder returns."**

**Aziz Aluthman Fakhroo**
Chief Executive Officer and Managing Director, Ooredoo Group

**Dear Shareholders,**

In 2023, we made substantial progress on our journey to transform Ooredoo into a smart telco.

This year, we took concrete steps to delayer our business into verticals and adjacencies to create focused, independent entities dedicated to growth and value crystallisation. We also deployed programmes to upgrade our core, emphasising operational efficiencies and advancing our capabilities as a smart telco.

Our commitment to excellence and innovation led to the implementation of over 700 initiatives across our operating companies, resulting in +1% point improvement in EBITDA margin ratio compared to 2020 levels.

A landmark achievement was the signing of definitive agreements with Zain Group and TASC Towers Holding, establishing the largest tower company in the MENA region, valued at an impressive USD 2.2 billion. This strategic move, with Ooredoo retaining a substantial 49.3% stake, positions us for increased financial success.

Simultaneously, our data centre carve-out initiative is expanding capacity to 120 megawatts with a USD 1 billion investment over five years. We are in the process of selecting a minority strategic investor to enhance our capabilities in this evolving hyperscaler-driven business landscape. As the market leader with 60% of installed capacity, we are uniquely positioned to meet the rising demand for localised cloud services.

Exploring new horizons, we are venturing into international connectivity investments to address the escalating bandwidth demands in the Gulf region. The undersea cable frontier becomes strategic in our transition to a digital infrastructure player, aligning with our vision for the future.

We pioneered Ooredoo Fintech, a new fintech holding, leveraging our vast subscriber base in underpenetrated regions and aligning with our commitment to providing financial services where traditional banking access is limited.

We made progress in the implementation of programmes such as OneOoredoo, transforming our common ERP systems and related business processes. The ongoing transformation of our network and IT operations, coupled with substantial progress in developing API capabilities across operations, reinforces our commitment to operational efficiency.

As a result, Ooredoo stands out among its peers for its shareholder value orientation and strong cash flow growth – maintaining our position among the top 10 telcos globally in terms of total shareholder returns.

## A Strong Financial Position and Sustainable Business

Ooredoo's commercial momentum accelerated throughout the year. Revenues for 2023 reached QR 23.2 billion, an increase of 2% compared to the same period last year. Most markets outperformed in 2023, with the strong performance from Iraq, Algeria, Kuwait and Maldives.

Group Normalised EBITDA for 2023 was QR 9.6 billion with an EBITDA margin of 42%.

Reported Net Profit reached an all-time high of QR 3.0 billion for FY 2023.

Normalised free cash flow (FCF) – one of our key metrics – increased 6% to reach QR 6.8 billion, mainly driven by strong operational performance.

## Maximising Return on Equity and Invested Capital

Ooredoo's strategy aims to position the company as a dynamic and innovative player in the telecommunications industry, strategically evolving into a smart telco. The emphasis lies on efficiency, value creation, and a forward-looking approach to navigate industry dynamics with resilience and adaptability.

In 2023, we made good progress across our strategic pillars. Key achievements included:

**Optimising our Value-Focused Portfolio:**

- In December 2023, we created MENA Tower Group - a dedicated entity for passive infrastructure sharing - combining approximately 30,000 telecommunication towers – making it the largest tower infrastructure provider in the MENA region upon full closure of the transaction.
- In December 2023, we established a standalone Data Centre Company, consolidating operations across several markets. We completed the transition of our datacentres in Qatar and Tunisia, with other markets to follow.
- IOH consolidated our position as a strong #2 player in Indonesia, exceeding synergy targets and achieved more than 50% improvement in our share price within two years.

**Strengthening our Core:**

- We implemented a centralised management process and a smart CapEx programme, optimising our network.
- We established key programmes such as OneOoredoo, focusing on the transformation of our common ERP systems and related business processes, and initiatives centered around the transformation of our network and IT operations.

**Evolving the Core:**

- We implemented programmes in analytics, digitalisation of operations, and partnerships with digital service providers, which contributed to over 20% of our free cash flow, with ongoing financial growth.
- We completed the standardisation and certification of our API capabilities across our operations. We anticipate this enhancement to drive new revenue sources for Ooredoo from 2024 onward.
- We kicked-off an in-house Analytics and Data Science capability, aiming to shift major business decision-making to algorithms and advance into AI-based processes; initial investments are already delivering results in customer value management and revenue growth.
- In March 2023, we established OFTI - a new, independent venture, fully owned by Ooredoo Group.
- In December 2023, we launched a new entertainment/TV marketplace, providing our customers with convenient access to partner content services.

**Investing in Our People:**

- In November 2023, we launched the Ooredoo Learning Academy (OLA), creating a comprehensive 360-degree approach for employee learning and development.
- We deployed a new performance management framework, revised our total rewards structure and established strategic workforce planning as part of our general operating cadences and practices.

**Delivering Excellence in Customer Experience:**

- Ooredoo delivered a strong performance in CSAT securing the #1 position in five markets and a strong #2 in three others.
- To drive continuous improvement, we deployed state-of-the-art feedback channels, enabling us to listen to the 'voice of the customer' and take action on the feedback received across the organisation.
- In October 2023, we held our second annual 'Customer Day', connecting with customers directly and exposing everyone at Ooredoo to front-office operations.

## Evolving into a telecom holding

We are transforming Ooredoo into a telecom and infrastructure holding with a delayered multi-business structure, optimising capital deployment and operational focus for increased asset returns in telco operations, towers, data centres, sea cable business, and fintech.

We will continue our shift to a unified Group platform for enhanced decision-making, with a common ERP system across operations and related business processes. AI-based customer experience management and data monetisation will remain key areas of focus for 2024 and beyond.

We will also continue to invest in our people, with a focus on talent acquisition and development, data analytics, and employee experience.

Looking ahead, Ooredoo aims to build on its successful transformation to drive new revenue sources and sustain its strong financial position, delivering even greater value and returns for both our customers and shareholders as part of our efforts to Upgrade Your World.

**Aziz Aluthman Fakhroo**
Chief Executive Officer and Managing Director,
Ooredoo Group

12 February 2024

# DEPUTY GROUP CEO'S MESSAGE

**"In 2023, we aligned our ambition for high-performance with numerous initiatives to evolve our core. Notably, we lead as the #1 operator in customer experience in five of our markets and a strong #2 in three others. Our commitment to operational profitability and disciplined capital deployment has resulted in an industry-leading cash yield on revenues without compromising our position as the leading data network in the countries where we operate."**

**Sheikh Mohammed Bin Abdulla Bin Mohammed Al Thani**
Deputy Group Chief Executive Officer,
Ooredoo Group

**Dear Shareholders,**

Over the past two years, Ooredoo has undergone a significant transformation, aligning our ambition for high-performance with numerous initiatives to evolve our core telecom activities.

We are committed to strengthening our core business, focusing on delivering a compelling product and service proposition to our customers efficiently and effectively.

An emphasis for us is to lead in customer experience across our markets, a vital factor in attracting the most profitable customer segments in mature markets.

In 2023, our markets faced higher inflation rates impacting our cost structures, which necessitated continuous improvement and discipline to ensure healthy profitability in our operations.

In this capital-intensive industry that is challenged to continuously keep up with a growing data demand, we have established rigorous processes to deploy our capital efficiently and make sure we generate returns for our shareholders.

## Strong progress achieved

In 2023, notable progress was achieved across three pillars:

- We lead as the #1 operator in customer experience in five of our markets and we are a strong #2 in three others. Our leadership position is supported by dedicated customer experience programmes across our organisation – such as the annual 'Customer Day' and continuous customer feedback reviews for product and service improvements.
- Solid top line growth and cost containment through respective local initiatives resulted to an impressive EBITDA margin of 42% up by 1pp YoY, positioning the company well amongst our best peers with a positive upward trend.
- Operational profitability and disciplined capital deployment - which we internally support with initiatives such as "Smart CAPEX" or "Site = Factory" - resulted in an industry-leading cash yield on revenues without compromising our position as the leading network in the countries where we operate.

Our local teams successfully executed initiatives, reinforcing our strong #1 or #2 positions in seven key markets, including leading positions in Qatar, Iraq, and Tunisia, and a robust second position in Oman, Palestine, Maldives, and Indonesia.

Our customer-centric approach saw our customer base grow to more than 156 million across our footprint, including IOH, reflecting our commitment to leading in customer experience.

## Innovation remains a key priority

Innovation continues to be a key priority for Ooredoo to progress on our journey toward becoming a smart telco.

Our partnerships with Google for API development, with Microsoft to launch new services for business customers, with Huawei for Fintech, the launch of a new TV/entertainment marketplace (Go Play), and the global-first deployment of a 50GPON fixed broadband network for our customers in Qatar - to name a few - showcase our commitment to innovation, both for our customers and the way we operate our business.

Our collaboration with the IoT World Alliance as the sole operator representing the Middle East and North Africa cements Ooredoo as a key player in driving IoT connectivity and collaboration across the region.

We invested significantly in our network infrastructure, ensuring it remains best-in-class. The modernisation of IT operations across six of our markets with a digital approach reflects our pursuit of enhanced performance and value creation.

The monthly active users of our self-care digital touchpoints grew by 43% in 2023, mainly driven by a significant increase in active app users in Iraq and the relaunch of the Ooredoo App in Algeria. This overall growth in app users across markets can be attributed to ongoing upgrades in our digital customer journeys and the strategic use of digital analytics to deliver relevant, personalised interactions to our customers.

To enhance the efficiency and effectiveness of our media investments, we upgraded our digital marketing approach to adopt data-driven practices, leveraging platform algorithms powered by AI, Machine Learning and automation, driving ~10% increase in media efficiency.

We strategically pursued M&A acquisitions within our footprint - such as fibre backhauling in Iraq - to strengthen our operations with new capabilities. These are typically smaller transactions focused on auxiliary value generated.

## Looking ahead

Our journey to become a smart telco will persist, with a focus on profitability in our core operations and enabling agile technology deployments and processes to seamlessly explore new revenue streams close to our core telecoms business.

To sustain our growth journey, we will continue to upgrade our operational efficiency and drive cohesion across our companies.

As a Group, our approach is marked by disciplined oversight, continuously evaluating all potential opportunities and ensuring that each aligns with our strategic objectives, contributes to our long-term success, and creates value for our shareholders and stakeholders.

In 2024 and beyond, we aim to further optimise costs and strengthen operational efficiency through benchmarking and innovative operational approaches.

**Mohammed Bin Abdulla Bin Mohammed Al Thani**
Deputy Group Chief Executive Officer,
Ooredoo Group

12 February 2024

# 2023 EXECUTIVE MANAGEMENT

## Ooredoo Group

**Aziz Aluthman Fakhroo**
Group Managing Director and CEO

**Sheikh Mohammed Bin Abdulla Bin Mohammed Al Thani**
Deputy Group CEO

**Ahmad Abdulaziz Al Neama**
Group Regional CEO

**Abdulla Ahmad Al Zaman**
Group Chief Financial Officer

**Dr. Hamad Yahya Al Nuaimi**
Group Chief Board Affairs Officer

**Sheikh Nasser Bin Hamad Bin Nasser Al Thani**
Group Chief Corporate Affairs Officer

**Fatima Sultan Al Kuwari**
Group Chief Human Resources Officer

**Hilal Mohammed Al-Khulaifi**
Group Chief Legal, Regulatory & Governance Officer

**Saim Yaksan**
Group Chief Transformation Officer
Group Chief Procurement Officer (A)

**Bilal Kazmi**
Group Chief Consumer Officer

**René Werner**
Group Chief Strategy Officer

**Timos Tsokanis**
Group Chief Technology & Information Officer

**Najib Khan**
Group Chief Business Services Officer

**Mohammed Abdulkhaliq Al Emadi**
Group Chief Audit Executive

## Ooredoo Qatar

**Sheikh Ali Bin Jabor Bin Mohammad Al Thani**
Chief Executive Officer

**Eisa Mohammed Al Mohannadi**
Chief Financial Officer

**Thani Ali Al-Malki**
Chief Business Officer

**Maryam Hassan Al-Hajri**
Chief Human Resources Officer

**Mustafa Peracha**
Chief Consumer Officer

**Martin Schulz**
Chief Legal & Regulatory Officer

**Günther Ottendorfer**
Chief Technology & Infrastructure Officer - Technology BU

**Mohammed Abdulkhaliq Al Emadi**
Chief Audit Executive

# BUSINESS REVIEW

Ooredoo maintains its upward trend, meeting annual guidance targets and reporting an all-time high net profit, along with achieving its highest cash dividend in 14 years.

# ALL-TIME HIGH REPORTED NET PROFIT

Ooredoo is a key techco player in the MENA region, with a balanced portfolio that is exposed to dynamic growth markets with fast-growing GDPs and population.

Ooredoo is the leading communications company in five of our markets and a solid #2 in three others, delivering mobile, fixed, broadband internet and corporate managed services tailored to the needs of consumers and businesses.

As a community-focused company, Ooredoo is guided by its brand promise to ‘Upgrade Your World’, reflecting its agile, future-proof, employeeand customer-centric focus.

**Our people**

**12,604**

Employees across the world

**Our financial assets**

**30,574**

Shareholders’ equity (QR millions)

**Our brand value**

**3.14**

Brand value estimation (USD billions)

**Net financial debt**

**6,831**

Moderate net financial debt (QR millions)



## Middle East

Number in millions

**28.1** customers

| | Ooredoo effective stake | Market share | Population | Mobile penetration |
|---|---|---|---|---|
| Qatar [1] | 100.0% | 55% | 3.0 m | 162% |
| Kuwait [2] | 92.1% | 37% | 4.8 m | 163% |
| Oman | 55.0% | 35% | 5.2 m | 135% |
| Iraq | 64.1% | 40% | 43.3 m | 101% |
| Palestine [2] | 45.4% | 32% | 5.5 m | 81% |

## Southeast Asia

Number in millions

**8.9** customers

| | Ooredoo effective stake | Market share | Population | Mobile penetration |
|---|---|---|---|---|
| Myanmar | 100% | 22% | 54.2 m | 71% |
| Maldives [2,3] | 83.3% | 45% | 0.6 m | 132% |

## North Africa

Number in millions

**20.6** customers

| | Ooredoo effective stake | Market share | Population | Mobile penetration |
|---|---|---|---|---|
| Algeria [2,4] | 74.4% | 31% | 46.0 m | 94% |
| Tunisia [2,5] | 84.1% | 45% | 11.9 m | 137% |

1. Operations integrated within Ooredoo QPSC.; also holds 72.5% of Starlink Qatar.
2. Operations integrated within NMTC.
3. Holds 65% of WARF Telecom International Private Limited as a subsidiary.
4. 9% of Ooredoo Algeria is held directly by Ooredoo QPSC
5. 15% of Ooredoo Tunisia is held directly by Ooredoo QPSC.

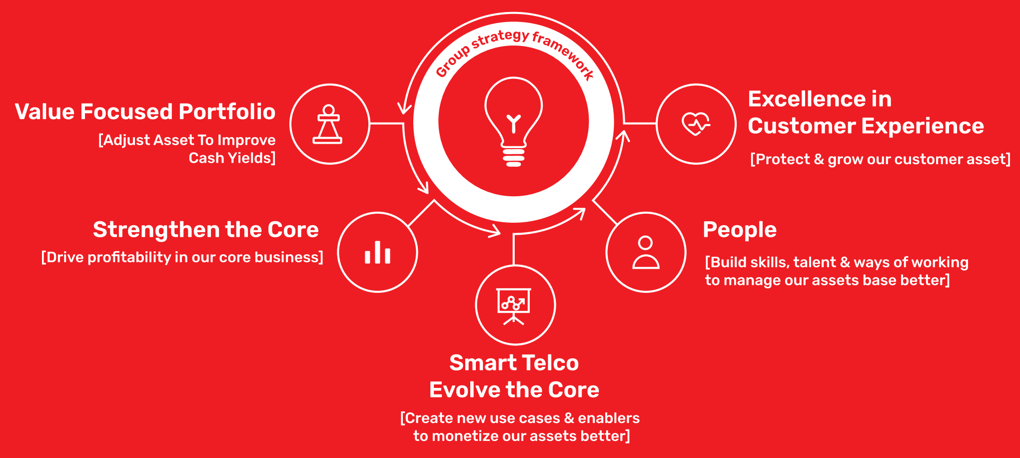
Our strategy

# EVOLVING OOREDOO INTO A TELECOM & INFRASTRUCTURE HOLDING

UPGRADE YOUR WORLD

**Ooredoo is evolving into a telecom and infrastructure holding with five operating segments that will allow us to crystallise value for our shareholders. This shift enables operational focus, capital efficiency, and targeted investment in telco operations, towers, data centres, sea cables, and fintech, aiming to boost asset returns.**

**Our evolved strategy focuses on five key strategic pillars:**




Ooredoo remains steadfast in our 2023 strategy, dedicated to becoming a smart telco.

To achieve this, our focus is to excel in five key areas:

- Ease of partnering with digital service players enabling them across our footprints and pursue mutually beneficial growth opportunities.
- Agility in front-end development & leading digital marketplaces/ "shopping windows" for our customers.
- Customer insights to provide superior customer experiences and unlock growth opportunities through up-/cross-selling of digital and connectivity services.
- Secure Connectivity and the protection of our customer base from hacker attacks and digital fraud.
- Being the digital infrastructure partner of choice to industry partners via passive infrastructure, datacentres and fibre connectivity.

Financially, we aim for an improved capital efficiency, anticipating additional monetisation opportunities and improved capital returns.

With a strategic framework encompassing a value-focused portfolio, strengthening the core, evolving the core, growing our people, and delivering excellence in customer experience, we position ourselves to capitalise on the surging demand for data connectivity and digital services.

Guided by our core values of Caring, Connecting, and Challenging, we remain committed to our promise to 'Upgrade Your World,' navigating industry dynamics with resilience and adaptability.

## Value-Focused Portfolio

We are evolving Ooredoo into a telecom and infrastructure holding with five operating segments that will allow us to crystallise value for our shareholders. This new structure provides operational focus through standalone P&Ls, enabling us to capture growth opportunities and enhance operational efficiencies. It also facilitates a more efficient capital structure tailored to each vertical.

With this approach, we are changing the traditional end-to-end integrated telecom business model to a horizontally delayered multi-business structure that allows for targeted capital deployment and gives more operational focus.

Overall, we aim to boost asset returns with this new structure, focusing on five key areas: telco operations, towers, data centres, sea cable business and fintech.

Ooredoo has made clear choices in these layers of the business model, choosing to partner, divest, or strategically strengthen our foothold.

**Notable initiatives include:**

- The strategic partnership between Ooredoo, Zain Group and TASC Towers, which combines close to 30,000 towers in seven markets in a cash and share deal, has resulted in the creation of the largest tower company in the MENA region.
- We are establishing a standalone Data Centre Company, consolidating the operations of our data centre facilities across several markets.

In our telecom operations, the focus remains on achieving or maintaining #1 and #2 positions in local markets, guided by the attractiveness of the geographical market and its competitive intensity. Where achieving a #1/#2 position organically is challenging, we explore opportunities for in-market consolidations, as exemplified in Indonesia, or strategic divestments, as demonstrated with Ooredoo Myanmar.

## Strengthen the Core

Our primary focus is on establishing an efficient and effective telecom operation that optimally utilises deployed capital, maintains an appropriate cost structure, and delivers a robust and competitive service to our customers.

In 2021, we initiated a comprehensive company-wide transformation programme called 'Braveheart' to monitor and ensure the execution of various initiatives. Over 700 initiatives were implemented, targeting revenue opportunities amid the challenges posed by the Coronavirus pandemic and enhancing investment efficiencies. The successful delivery of these initiatives has significantly contributed to Ooredoo's robust free cash flow performance.

Starting from 2023, we have intensified our commitment to operating efficiencies. Key programmes such as OneOoredoo, focusing on the transformation of our common ERP systems and related business processes, as well as initiatives centered around the transformation of our network and IT operations, are being established. Simultaneously, initiatives addressing churn management have been initiated and are underway, reinforcing our dedication to achieving favourable outcomes in 2024.

## Evolve the Core

The evolving landscape of the telecom industry presents opportunities to generate new revenue streams and enhance cost efficiency. In response, we are adapting our capabilities within the telecom business model, exploring new use cases to leverage already deployed capital for revenue generation.

Ooredoo has implemented programmes focusing on analytics, digitalisation of operations, and partnerships with digital service providers. These partnerships currently contribute to over 20% of our free cash flow, with ongoing financial growth. However, harnessing the full potential requires advanced skills, such as API-facilitated access to our business systems, a progress reflected in the standardisation and certification of API capabilities across our operations in 2023. We anticipate this enhancement to drive new revenue sources for Ooredoo from 2024 onward.

In addition to preparing for the future, we are actively identifying new use cases to derive profitable contributions from existing capital and exploring ventures in adjacent industries. An example is OFTI, a Fintech venture fully owned by Ooredoo Group, which has established itself as a market leader in Qatar and the Maldives and is set to expand to Oman, Iraq, Kuwait, and Tunisia. Another initiative is the successful launch of a new entertainment/TV marketplace in December 2023, receiving a positive user response and providing our customers with convenient access to partner content services.

## People

Succeeding in customer experience requires an engaged and empowered workforce. To achieve this, we are evolving our ways of working by increasingly adopting agile methods, fostering cross-functional collaboration, and encouraging personal ownership of outcomes and respective empowerment. Our employees' engagement is measured and benchmarked, reflecting strong outcomes from various initiatives.

Key initiatives include the establishment of the Ooredoo Learning Academy across our footprint, featuring partnerships with esteemed institutions like Harvard, LinkedIn Learning, Microsoft, Google and others. We have also deployed a new performance management framework, revised our total rewards structure and integrated strategic workforce planning into our general operating cadences and practices.

Coaching and mentoring underpin our daily work, helping our people to grow with Ooredoo and enabling them to make meaningful contributions to our business.

Looking ahead, our People Strategy will focus upon five core areas:

- **Talent Development**, encompassing elements such as the Ooredoo Learning Academy, talent pool management, and succession planning.
- **Organisation Design & Rewards**, with a focus on optimising our operating model to facilitate the growth of new business verticals.
- **Employee Experience**, incorporating building blocks like employee value proposition and engagement initiatives.
- **Talent Acquisition**, employing robust analytics and data-driven assessments to identify, select, and recruit top-tier talent.
- **Data Analytics**, using cutting-edge technologies such as HR analytics and AI-powered HR services.

## Excellence in Customer Experience

In increasingly competitive markets, our aim is to create superior customer experiences and inspiring moments for our customers, resulting in heightened levels of loyalty and higher spend with Ooredoo.

The impact of superior customer experience and satisfied customers is twofold. Cost reductions through reduced customer service expenses, lower customer acquisition costs or simplified processes usually go together with positive impacts on revenues.

In our industry, as a yardstick, 20% of customers usually generate 70-80% of revenues. The attractiveness to existing or prospective customers in these specific segments as a function of customer experience supports a positive financial momentum.

Our execution focus revolves around minimising customer effort by consistently eliminating potential friction points. Simultaneously, we are establishing digital touchpoints to enhance customer service. To drive continuous improvement, we have deployed state-of-the-art feedback channels, enabling us to listen to the 'voice of the customer' and act upon the received feedback across the organisation.

Business review

# QATAR

**"2023 was marked by major milestones in Ooredoo Qatar's business transformation journey. A highlight was the migration of our cloud ERP landscape from Amsterdam to Qatar, upgrading customer experience and empowering businesses with cutting-edge technology."**

**Sheikh Ali Bin Jabor Bin Mohammad Al Thani**
Chief Executive Officer
Ooredoo Qatar

## Customers
(in thousands)

**2,991**

| | |
|---|---|
| **2023** | 2,991 |
| **2022** | 3,641 |
| **2021** | 3,199 |
| **2020** | 3,048 |
| **2019** | 3,271 |

## Operator importance to Group

**5%** CUSTOMERS

**37%** EBITDA

**31%** REVENUE

**24%** CAPEX

## Financial performance

| | 2019 | 2020 | 2021 | 2022 | **2023** |
|---|---|---|---|---|---|
| **Revenue QR millions** | 7,301 | 7,073 | 7,464 | 7,960 | **7,286** |
| **EBITDA QR millions** | 3,957 | 3,696 | 3,848 | 3,829 | **3,603** |
| **EBITDA margin** | 54% | 52% | 52% | 48% | **49%** |
| **Blended ARPU* QR** | 107.4 | 96.8 | 109.5 | 109.7 | **104.0** |
| **Employees** | 1,303 | 1,217 | 1,191 | 1,152 | **1,143** |

* Blended ARPU is for the three months ended 31 December.

## Awards

**Best CSR Initiatives in the ICT Sector at the Qatar CSR Awards 2023**

Coverage Experience and 5G Coverage Experience Awards in the Opensignal Mobile Network Experience Report



## Overview

2023 was a year of both opportunities and challenges for Ooredoo Qatar. EBITDA reached QAR 3.6 billion, with EBITDA margin at 49%. Normalizing for the carve out of Ooredoo Financial Services and one-off provisions booked in 2023 for doubtful debts, Ooredoo Qatar's EBITDA is in line with 2022 reported EBITDA, with a margin of 52%. In 2023; despite the slowdown in economy and lower GDP growth, Ooredoo managed to keep revenue in line with last year.

Customer base decreased by 18% YoY to 3.0 million, impacted by change in definition of Prepaid base and FIFA related connections in 2022. On a like-for-like basis, customer base increased by 2%.

In alignment with the company's dedication to enhancing customer experience, an upgrade to postpaid plans was rolled out, with new Shahry+ and Qatarna+ plans offering additional value for customers. The launch of new Home Internet and TV packs – 'Home+' – offered customers nationwide coverage, unmatched home internet speeds and truly unlimited data, combined with exclusive entertainment content via the award-winning Ooredoo tv service, bolstering the overall customer experience. Home+ packs also include the groundbreaking Fibre to the Room (FTTR) innovation, boosting indoor internet coverage to unprecedented levels.

Notable B2B initiatives included the Hybrid Cloud set-up with Qatar Airways - which enables seamless connectivity across public and private cloud environments, directly connecting Qatar Airways' offices and branches to Microsoft Azure and Google Cloud public clouds – and a partnership with Microsoft which saw the launch of a game-changing Microsoft 365 bundle offering aimed at enhancing digital empowerment among small and medium enterprises (SMEs).

As bandwidth needs for applications is growing significantly, the telecommunications industry has chosen 50G-PON as the underlying technology. Ooredoo Qatar is leading the way in bringing this super-fast connectivity to our customers. Our 50G-PON technology can meet the high bandwidth requirements of both consumers and enterprises. Initial deployment will be for B2B customers in areas that require high-speed connectivity, with roll-out to consumers – to cater for example for 8k content streaming and AR/VR online gaming – to follow.

Ooredoo Qatar played a key role in supporting Expo 2023 Doha with cutting-edge networking solutions, ensuring unrivalled connectivity and state-of-the-art technology services throughout the event, and highlighting the themes of innovation and sustainability. The company deployed 44 high-capacity radio sectors enabled with latest 4G and 5G features, along with advanced VoIP lines and high-speed internet services, to provide a seamless digital experience for attendees.
An exciting initiative showcased at Expo 2023 Doha was an innovative AI-powered feature to simplify mobile service activation for foreign visitors during the event. The feature – building on Ooredoo Qatar's successful initiative at FIFA World Cup Qatar 2022™ – allowed visitors to easily purchase an eSIM or physical SIM online using their passport details, offering a secure and comprehensive digital solution for mobile service purchases.

Underlining its commitment to customer-centricity, Ooredoo Qatar set a new benchmark for customer experience in the OpenSignal Mobile Network Experience Report, registering top honors in Video, Games and Voice App Experiences. This achievement was complemented by a solid 81% CSAT score in a 2023 published CRA Report. To upgrade customer experience, we implemented a Mobile Network Fault Management system – AGILITY – powered by AI and Machine Learning to detect issues before they impact the customer. Ooredoo Qatar pressed forward with its longstanding corporate social responsibility efforts in 2023, launching a number of impactful initiatives including a major recycling programme as well as collaborations for sustainable living, in alignment with Qatar National Vision 2030.

## Outlook

Ooredoo Qatar remains steadfast in its commitment to excellence and innovation, continuously adapting to the evolving market landscape. The company sees an increasing appetite for digital solutions across various sectors in the Qatar telecoms market, including entertainment, education and business services, offering opportunities for an expansion of its digital services portfolio.

Further capitalization on trends in Internet of Things is expected via expansion of applications, solutions and connectivity services in smart homes, healthcare and industrial automation. As industries pursue digital transformation, there will be tremendous growth in the amount of data being generated, led especially by unstructured data such as emails, videos, images, documents and reports. The effective use of data can provide a host of benefits to businesses and entities across a variety of sectors and lead to business model innovation and process efficiency. Ooredoo Qatar will also progress its cloud technology advancement, offering ever more cloud services to cater to the growing needs of businesses and individuals for scalable, secure and efficient data storage and processing solutions, in line with global digital transformation trends.


5G expansion will continue as the company underscores its commitment to investment in network development, innovation and technology, with the aim of further enhancing customer experience in both Consumer and B2B sectors. Ooredoo Qatar will cement its position as a longstanding 5G pioneer with yet more developments in augmented and virtual reality as well as specific use cases and solutions within the B2B space, opening up new revenue streams with services and solutions that leverage the distinct capabilities of 5G networks.

2024 will also include enhancements to the digital infrastructure, as well as the promotion of cloud-based productivity tools and applications with advanced security features. Significant investments and progress have been made in localizing data centers with major investments from Ooredoo and hyperscalers. Increasing data center capacity and enhancing the local and international connectivity will drive digital content localization.

Through strategic partnerships, innovative solutions, and a relentless focus on customer-centricity, Ooredoo Qatar is well-positioned to navigate the evolving telecommunications landscape, driving growth and truly upgrading the lives of our customers.

# KUWAIT

**"Ooredoo Kuwait's strategy in 2023 centred around value creation and expanding our range of products and services to meet the evolving needs of our customers. Our year-end results underline the achievements made in these areas."**

**Abdulaziz Yacoub Al-Babtain**
Chief Executive Officer
Ooredoo Kuwait

## Customers (in thousands)

**2,847**

| | |
|---|---|
| **2023** | 2,847 |
| **2022** | 2,708 |
| **2021** | 2,518 |
| **2020** | 2,531 |
| **2019** | 2,588 |

## Operator importance to Group

**5%** CUSTOMERS

**10%** EBITDA

**13%** REVENUE

**7%** CAPEX

## Financial performance

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| **Revenue QR millions** | 2,772 | 2,492 | 2,540 | 2,809 | **2,914** |
| **EBITDA QR millions** | 867 | 617 | 738 | 850 | **971** |
| **EBITDA margin** | 31% | 25% | 29% | 30% | **33%** |
| **Blended ARPU* QR** | 58.5 | 59.3 | 66.0 | 61.8 | **60.8** |
| **Employees** | 1,132 | 1,363 | 1,230 | 1,423 | **1,349** |

* Blended ARPU is for the three months ended 31 December.

## Awards

**Best Website & Mobile App in Asian Telecom Awards for Mobile App & Website of the Year.**

**Bronze Stevie Award** for the "Ooredoo App."

**Ooredoo B2B received the "ISP/Telecom Operator Partner of the Year"** award from HPE.

**Outstanding 5G Industry Partnership' Award at SAMENA Council's LEAD Awards**



## Overview

Ooredoo Kuwait reported a solid year for 2023 with revenue up 4.1% against 2022 in local currency, driven by higher data and voice revenues from postpaid and prepaid segments.

EBITDA stood at QR 971 million [KWD 82.0 million], with EBITDA margin at 33.3%. The company's mobile customer base grew by 5.1%, with total customer numbers reaching 2.8 million and service revenue standing at QR 2,260 million. Data revenue was recorded at QR 1,120 million with data traffic at 1,443PB.

Fixed business grew by 4.4%, while overall ICT grew by 34.1%, demonstrating the accelerating demand for innovative technology solutions in the market. This growth was driven by multiple customer education and knowledge transfer initiatives, including workshops with partners such as Cisco, to introduce digital solutions to SMEs including those from OpenText related to host data recovery and automation.

Ooredoo Kuwait gained a strong foothold in the prepaid segment in 2023, and steadily increased its presence in the postpaid segment. The company adopted a strategic approach to enhancing the customer experience by revamping various touchpoints on the customer journey, with efforts leading to achieving the top position in overall Customer Satisfaction (CSAT) in Kuwait.

Various customer-centric initiatives were launched in 2023: a 5G acquisition portfolio, which led to 100% migration to 5G products, in order to monetise and improve the customer experience; a revamp of the wireless broadband portfolio; the introduction of a 5G outdoor unit to improve 5G connectivity; the launch of the ProPing Europe link for a better gaming experience with European server-based games; the launch of a new GPON speed, 400Mbps; and the addition of a new high-end gaming router to the fixed portfolio. Ooredoo Kuwait also strategically leveraged Ooredoo Group initiatives to expand business into adjacent areas including API and TV/entertainment.

Ooredoo Kuwait enhanced its business offering in 2023 with the introduction of several new services and solutions designed to meet the evolving needs of its business customers. With a strong focus on innovation and technology, linked with customer-centricity, a notable introduction was Cloud Connect; an innovative network-as-a-service solution that enabled enhanced enterprise networking in Kuwait through a comprehensive suite of cloud-managed networking services.

Another highlight was the launch of Wi-Fi 7, with Ooredoo Kuwait becoming the first operator in the country to offer this technology specifically for businesses. A Memorandum of Understanding (MoU) with Avaya – a global leader in communication and collaboration solutions – further enhanced productivity for Ooredoo Kuwait's business customers, in alignment with the company's vision of delivering end-to-end network, information and communication solutions to its customers.

Leveraging customer interaction data also enabled the company to provide big data services, business insights and data consultancy services, while a sharpened focus on cybersecurity included developing and rolling out cutting-edge solutions tailored to the needs of enterprise customers.

An influx of international business – including several global and local RFPs for international services – led to a 5% growth in the wholesale business.

Challenges in 2023 included a delay in the rollout of GPON, anticipated to have an impact on the fixed market, and governmental restrictions on family, visit and work visas leading to a reduction in potential customer base. The introduction of two new operators to the market also created competition for business, driving up Subscriber Acquisition Costs (SAC) for existing operators and causing pricing to become more competitive.


In response, Ooredoo Kuwait concentrated efforts on Kuwaiti households to foster sustainable gross additions, whilst taking proactive steps to engage with regulatory authorities and collaborate with competing operators to minimise impact on the bottom line and influence policy decisions that support the telecommunications industry. To further mitigate potential negative impact, the company consistently introduced appealing offers to retain and expand the customer base. Concentration remained on organic growth through strategic partnerships and intelligent investments in networks and customer experience initiatives.

Phasing out its 3G network in favour of the more advanced 4G and 5G technologies marked a major milestone for Ooredoo Kuwait, enabling more efficient use of frequency bands and valuable resources to streamline operations and reduce costs associated with legacy networks.

The implementation of Google APIGEE in Q2 2023 resulted in the launch of 10 APIs on the production environment, enhancing Ooredoo Kuwait's flexibility in onboarding partners systemically and reducing the need for extensive customisations. The implementation also created opportunities for data monetisation and the development of new revenue streams.

Ooredoo Kuwait also became the first operator in the country to integrate Narrowband Internet of Things (NB-IOT) technology into its network, setting new standards for connectivity and innovation. This cutting-edge technology is designed to empower IoT by providing cost-efficient, energy-efficient and seamless connectivity for a wide range of devices and applications including smart homes, wearable devices and asset tracking.

## Outlook

In 2024, Ooredoo Kuwait will concentrate on enhancing digitalisation and seizing opportunities in cloud services and 5G use cases. The implementation of artificial intelligence (AI) and automation will improve customer service and streamline network management, while the liberation of the international gateway will offer the opportunity to introduce new retail prices and achieve better-controlled quality of service.

The company will explore collaborations with global telecoms and technology companies, with the aim of enhancing connectivity and service. Ooredoo Kuwait will improve the omni-channel experience to provide customers with a consistent, personalised digital experience across all channels.

The company also sees substantial growth potential in the cybersecurity market, driven by a global trend of increasing cyberattacks and the need for enterprises to protect themselves, their data and their customers against such attacks.

# OMAN

**"Despite facing a challenging and highly competitive market in 2023, operating in a relatively small space, Ooredoo Oman continued to innovate. The company achieved success through innovative products and services, and strategic partnerships."**

**Bassam Yousef Al Ibrahim**
Chief Executive Officer
Ooredoo Oman

## Customers
(in thousands)

**3,085**

| | |
|---|---|
| **2023** | 3,085 |
| **2022** | 3,035 |
| **2021** | 2,863 |
| **2020** | 2,795 |
| **2019** | 2,864 |

## Operator importance to Group

**5%** CUSTOMERS

**12%** EBITDA

**11%** REVENUE

**15%** CAPEX

## Financial performance

| | 2019 | 2020 | 2021 | 2022 | **2023** |
|---|---|---|---|---|---|
| **Revenue QR millions** | 2,703 | 2,509 | 2,325 | 2,443 | **2,453** |
| **EBITDA QR millions** | 1,490 | 1,341 | 1,212 | 1,275 | **1,156** |
| **EBITDA margin** | 55% | 53% | 52% | 52% | **47%** |
| **Blended ARPU* QR** | 54.7 | 50.4 | 43.9 | 37.9 | **38.4** |
| **Employees** | 1,022 | 983 | 981 | 941 | **1,045** |

* Blended ARPU is for the three months ended 31 December.

## Awards

**Best Data Centre - Middle East Technology Excellence Awards**

**Most Outstanding Telecommunications Company of the Year –** Oman at M&A Today Global Awards

**Best Digital Transformation and CX - Global Brands Magazine Awards**
**Most Outstanding Telecommunications Company of the Year –** Oman at The Global 100

**Most Innovative Digital Transformation Telecom Company –** Oman 2023 at Global Business Outlook Awards

## Overview

Revenue slightly ahead in 2023 primarily by higher device and ICT revenues offset with decline in mobile, fixed and wholesale segments. EBITDA decreased to QR 1.2 billion [122 million OMR] due to a lower gross margin, impacted by higher cost of sales and higher operating expenditure, with the company managing to sustain EBITDA margin at 47%. Net profit declined due to lower EBITDA, partially offset by lower expenses related to depreciation and amortisation, royalties and tax.

Ooredoo Oman faced several challenges in 2023, not least the number of operators within the telecommunications sector in the country. As of December 2023, the fixed broadband market was up 4.7% year-on-year. Ooredoo Oman's customer market share dropped by 0.9% to stand at 28.5% due to the intensity of the market. The mobile market also grew 3.5% year-on-year, with Ooredoo Oman's customer market share dropping by 2.1% year-on-year to stand at 35.3%. Planned mega-projects, continued government diversification of sources, and ongoing efforts to digitalise the economy offered some mitigation, with the company focusing on enhancing the customer experience to create competitive advantage.

Completion of three new data centres enhanced support for local businesses and the community in each area, offering world-leading cloud storage, data recovery and cyber-security options. Each of the new data centres will be rated as Tier 3, with a capacity of more than 500 racks, complementing the growing range of technical facilities operated by Ooredoo across Oman.

Ooredoo Oman successfully implemented 1,500 DSS sites ahead of schedule, as well as a programme named 'Maverick' intended to optimise OpEx. A strategic partnership agreement was also signed with Shell Oman Marketing Company.

The company rolled out several initiatives in the prepaid segment that were designed to increase competitiveness and enhance the customer experience. The popular Recharge and Win promo offered Mini Cooper cars as prizes, while the Deal of The Day campaign in Ramadan allowed customers to double the value of selected plans. A revamp of the Hala portfolio resulted in the range including five plans, offering combinations of data and minutes and the new long-validity plan.

Postpaid customers had the chance to win flight tickets and were offered many attractive propositions, including roaming add-ons, extra data, and more. Ooredoo Oman revamped its fixed proposition with more plans, better prices and faster speeds. An unlimited 5G offer was launched during Khareef season, while a speed booster for fibre offered faster speeds at no extra cost.

Digital initiatives continued, with Ooredoo Oman simplifying and enhancing the customer journey for home internet purchasing and onboarding services. eKYC and touchless onboarding was launched on the app, with app-exclusive offerings for recharges and plans added. AutoPay was also introduced, conveniently automating the bill payment process for postpaid customers.

B2B customers benefited from several initiatives throughout the year. An office-in-a-box solution was created by the bundling of ICT services for SMEs, with the addition of Microsoft 365, while managed security services were enhanced. Partnerships with leading entities such as Cisco and Huawei bolstered offerings.

Ooredoo Oman held its second annual Customer Day in 2023, an event it considered a great success. The company received positive feedback on a variety of fronts, including commitment to customer service, quality of products and services and the overall experience of visiting Ooredoo stores and contact centres.

Ooredoo Oman continued its longstanding commitment to corporate social responsibility in 2023 with several initiatives intended to benefit its community. Highlights included a campaign of incubation programmes for women – Springboard and SpringForward – as well as a breast cancer initiative, organised in collaboration with Oman Cancer Association, for Women's Day.

## Outlook

Ooredoo Oman will continue its roll-out of 5G across the country and extend focus on core offerings for mobile and home, ramping up retail and wholesale business. Exploration of trends and events shaping the economic and policy landscapes in the region will be expanded in 2023, with positive factors that could result in long-term market – and telecommunications sector - growth including planned mega-projects, continuous governmental diversification of sources and digitalisation of economic efforts.

The company looks forward to providing ever wider access to every type of connectivity across Oman and remains well-positioned to reignite growth and extend its capabilities to further enhance the customer experience.

Business review

# ALGERIA

"Data revenue was a major contributor to our bottom line. A focus on network modernisation improved our ability to offer superior products and services, delivering on our promise to upgrade our customers' worlds."

**Roni Tohme**
Chief Executive Officer
Ooredoo Algeria

## Customers
(in thousands)

**13,371**

| | |
|---|---|
| **2023** | 13,371 |
| **2022** | 13,034 |
| **2021** | 12,834 |
| **2020** | 12,523 |
| **2019** | 12,615 |

## Operator importance to Group

**23%** CUSTOMERS

**10%** EBITDA

**11%** REVENUE

**18%** CAPEX

## Financial performance

| | 2019 | 2020 | 2021 | 2022 | **2023** |
|---|---|---|---|---|---|
| **Revenue QR millions** | 2,501 | 2,256 | 2,275 | 2,222 | **2,462** |
| **EBITDA QR millions** | 867 | 744 | 786 | 787 | **992** |
| **EBITDA margin** | 35% | 33% | 35% | 35% | **40%** |
| **Blended ARPU* QR** | 15.5 | 15.2 | 14.9 | 14.4 | **16.4** |
| **Employees** | 2,895 | 2,955 | 2,694 | 2,491 | **2,425** |

* Blended ARPU is for the three months ended 31 December.

### Awards

Algerian Association of the Volunteer Work with a Social responsibility Leaders Certificate / Algeria

**Bronze Stevie Awards - HR practices**
Category: **Innovative Achievement in Human Resources**



## Overview

Ooredoo Algeria's encouraging performance for 2023 can be attributed mainly to solid growth in data revenues, driven by higher data usage and greater control of cost through cost optimisation initiatives. Revenue stood at QR 2.5 billion [91.9 billion DZD], EBITDA was recorded as QR 1 billion [37.0 billion DZD], with EBITDA margin at 40% against 35% in the previous year. The company faced intense competition in terms of offers and distribution, and ended the year with a customer base market share of 31% as a result of ongoing network densification to improve customer satisfaction in coverage and experience.

Prepaid and postpaid residential revenue both increased, by 6.0% and 8.4% respectively.

Ooredoo Algeria designed and rolled out several customer experience initiatives in 2023, including a revamp of its My Ooredoo app; an enhancement of its USSD service; a revamp of the website; personalisation of customer calls; and streamlining of the complaint resolution system.

DPI was used to shape ISP traffic – video apps such as TikTok, YouTube and Facebook Video – to reduce costs without impacting customer experience.

To provide customers with a superior network experience aligned with its strategy, Ooredoo Algeria carried out a major network expansion and modernisation initiative with 740 new sites; 1,225 TDD sites; the rollout of more than 1,400km of fibre; the swap and modernisation of 2,877 RAN sites; and the swap of 136 MPLS sites from Juniper to ZTE. The company finalised packet core modernisation to cloud, with capacity extension, and carried out Big Data with Data Science and APIGEE projects. Zero-touch operation with alarms correlation and automation for RAN was introduced.

In digital developments, Ooredoo Algeria revamped multiple services and enhanced its portfolio with several new services. The company also signed new agreements with startups from its programme, Tstart. Data recharges in the high value segment increased by 33% year-to-date against last year.

B2B saw a comprehensive relaunch and revamp of a number of mobile broadband services, including MiFi, USB and Wi-Fi devices, with the aim of increasing the active base via a proposition of new devices with exclusive data prices and advantages. The company saw a 1.2% increase in B2B revenues and 7.1% increase in B2B subscribers.

A focus on customer experience led to an improvement in CSAT scores, with Ooredoo Algeria reaching 77.1. Various payment initiatives were launched as part of this focus: bill payment through WimPay and SG apps; payment auto-renewal across all channels; QR code payment capability; online payment linked to bank accounts without credit or debit cards; and a recharge service on the SG app in collaboration with private French bank Société Générale.

Challenges in 2023 included an import ban from Spain, a main exporter of steel, leading to price increases and scarcity of electromechanical equipment. New market regulations relating to product resales - as well as other state-imposed import limits - had an impact on sales strategies, with other new regulations leading to a lack of device availability in the market.


Ooredoo Algeria carried out a number of corporate social responsibility initiatives throughout the year, most notably the solidarity actions during the holy month of Ramadan: forest and beach cleaning operations in partnership with the National Association of Volunteer Work; Back to School initiatives with the Algerian Red Crescent; blood donation drives; reforestation campaigns in the provinces suffering from wildfires; and a campaign to help raise funds for children suffering from rare diseases.


## Outlook

Digital services remain a priority for 2024, with Ooredoo Algeria planning to offer the Google Play store via Ooredoo DCB. The service is currently not available in Algeria, making the launch the first of its kind in the country and positioning the company as a leader within the telecommunications industry, in line with its commercial execution strategy. Ooredoo Algeria will also launch the first free AllNet offer in Algeria, a proposition expected to create significant impact. Further enhancements will include the improvement of the digital contact centre platform and the addition of other channels for communication including WhatsApp.

Business review

# TUNISIA

**"Ooredoo Tunisia is moving ahead strongly with the company's digital transformation and the associated process optimisation to create a best-in-class customer experience across all contact points. 2023 was marked by substantial growth in IoT."**

**Mansoor Rashid Al-Khater**
Chief Executive Officer
Ooredoo Tunisia

## Customers
(in thousands)

# 7,260

| | |
|---|---|
| **2023** | 7,260 |
| **2022** | 7,128 |
| **2021** | 6,914 |
| **2020** | 8,078 |
| **2019** | 9,163 |

## Operator importance to Group

**13%** CUSTOMERS

**6%** EBITDA

**6%** REVENUE

**10%** CAPEX

## Financial performance

| | 2019 | 2020 | 2021 | 2022 | **2023** |
|---|---|---|---|---|---|
| **Revenue QR millions** | 1,476 | 1,516 | 1,617 | 1,468 | **1,470** |
| **EBITDA QR millions** | 682 | 650 | 625 | 651 | **556** |
| **EBITDA margin** | 46% | 43% | 39% | 44% | **38%** |
| **Blended ARPU* QR** | 11.2 | 12.5 | 15.6 | 13.5 | **13.6** |
| **Employees** | 1,560 | 1,591 | 1,437 | 1,335 | **1,309** |

* Blended ARPU is for the three months ended 31 December.

## Awards

**Product of the year 2023 in the mobile offer category**

**'Best Customer Service' award**

**Best Environmental action**

**Environmental Citizen Engagement Award at International Forum** for Corporate Social Responsibility



## Overview

Ooredoo Tunisia experienced a slight increase of 0.7% in total revenue in local currency, reflecting the slow growth of the mobile market and ongoing pressure on wholesale revenue. EBITDA saw a 15 % decrease year-on-year, predominantly impacted by moderate market growth and an exceptional bad debt linked with a major B2B account default payment. CapEx increased compared to 2022 following investment in a new submarine cable. Despite challenging conditions, directly impacting operational results, Ooredoo Tunisia managed collecting significant amount of receivables.

In the consumer domain, both the prepaid and postpaid mobile segments witnessed a commendable 1% growth in active customer bases in 2023, compared to 2022. This growth was driven by strategic product launches aimed at enhancing offerings and the overall customer experience. The fixed segment exhibited remarkable growth of 32.5% year-on-year, signalling positive traction in this area.

Notable strides were made with the introduction of enhanced fixed wireless access (FWA) speeds at 10Mbps, as well as the launch of IPV6 in mobile and fixed services for the first time in Tunisia, alongside the introduction of VoLTE.

An intensified focus on expanding both mobile and fixed business domains resulted in a notable 1.5% surge in the mobile customer base and solid growth of 32.5% in fixed lines compared to 2022.

Ooredoo Tunisia showcased significant advancements in the B2B domain in 2023. Highlights included substantial growth in the IoT sector, evidenced by the successful closure of several main projects; innovations in smart electricity translating into a successful deal; and investment in the new submarine system, 'Ifriquia', demonstrating a commitment to bolstering infrastructure.

Continuing its focus on digital, Ooredoo Tunisia upgraded the My Ooredoo app in 2023, and enhanced its digital sales and transactions by embracing various strategies to elevate user engagement and the digital experience.

Exciting initiatives in 2023 reflected Ooredoo Tunisia's robust commitment to technological advancement, including the deployment of additional radio sites augmenting network coverage and enabling the implementation of crucial technological solutions. Commendable benchmarks were achieved in network quality, with the company leading its competitors in network excellence and quality.

Several key 2023 sponsorships underlined Ooredoo Tunisia's strong brand image in the country, with its Brand Health Index score remaining robust at 4.03 and the company maintaining a leading position. Notable examples include sponsorship of the Olympic Beach Games; partnerships with prominent sporting clubs such as Etoile Sportive du Sahel, Club Africain and women's handball club CFC; sponsorship of the International Festival of Carthage; the hosting of the 3,000-participant Ooredoo Night Run; the launch of the Ooredoo Padel Cup; and the organisation of the biggest music festival in Sousse, a tourist hotspot, that featured five Tunisian stars and drew more than 10,000 attendees. These initiatives epitomised the company's commitment to building a robust brand presence and actively engaging with diverse audiences across the country, fostering a deeper connection with the community and reinforcing its reputation as a key contributor to major sporting and cultural events.

Under the umbrella of its 'Tounes T3ich' programme, Ooredoo Tunisia continued its commitment to corporate social responsibility in 2023 and the company spearheaded several noteworthy initiatives. Partnering with the General Directorate of Forests, the Ministry of Agriculture, Fisheries and Water Resources – as well as the Green Way Association – Ooredoo Tunisia engaged in a national campaign to reforest 70 hectares in the Bargou forest, restoring areas damaged by fires. The company undertook digital campaigns to raise awareness of child protection online, actively engaging with the Ministry of Children to work towards finding ways to keep children safe in the digital world.

In the healthcare sector, the relaunch of the Ooredoo Mobile Clinic facilitated the provision of health services in rural areas, while a collaboration with the Breast Cancer Association helped raise awareness of the disease, emphasising the importance of education through various initiatives.

A social support campaign during Ramadan benefited the less fortunate in the community, with Ooredoo Tunisia distributing clothes and monetary gifts to those in need.

## Outlook

Despite ongoing economic challenges including external financing difficulties, increasing domestic debt and regulatory constraints, Ooredoo Tunisia sees promising opportunities in the telecommunications sector in 2024.

The company aims to improve its position in mobile and continue its expansion in the fixed market through additional investments, with the intention of delivering an unparalleled customer experience. Digital will also be a strong focus, with a continuation of digital ecosystem enhancements in the pipeline including the integration of additional functionalities within the My Ooredoo app.

A solidification of Ooredoo Tunisia's leading position in mobile telephony will continue in 2024, along with a strategic expansion of its footprint in fixed lines. Major IT projects will accelerate the company's digitalisation journey and enable data-centric decision-making.

Business review

# ASIACELL IRAQ

**"In 2023, Asiacell reaffirmed its position as Iraq's leading telco. Our strategic emphasis remained on value generation, as we leveraged our existing resources to upgrade our customers' experience and explore fresh avenues for market expansion."**

**Amer Al Sunna**
Chief Executive Officer
Asiacell Iraq

## Customers
(in thousands)

**17,694**

| Year | Customers |
|---|---|
| **2023** | 17,694 |
| **2022** | 17,094 |
| **2021** | 15,985 |
| **2020** | 14,719 |
| **2019** | 14,162 |

## Operator importance to Group

**31%** CUSTOMERS

**20%** EBITDA

**19%** REVENUE

**17%** CAPEX

## Financial performance

| | 2019 | 2020 | 2021 | 2022 | **2023** |
|---|---|---|---|---|---|
| **Revenue QR millions** | 4,572 | 4,020 | 3,657 | 3,674 | **4,452** |
| **EBITDA QR millions** | 2,040 | 1,724 | 1,672 | 1,580 | **1,953** |
| **EBITDA margin** | 45% | 43% | 46% | 43% | **44%** |
| **Blended ARPU* QR** | 29.2 | 22.3 | 19.2 | 18.8 | **24.8** |
| **Employees** | 3,342 | 3,324 | 3,411 | 3,212 | **3,426** |

* Blended ARPU is for the three months ended 31 December.

## Awards

**Best Network -** Open signal

**Best Application Awards** from Best Business Awards for 2023

**Best Marketing Campaign Award in Iraq** by Global Economic Awards

**SAMENA LEAD Award** for Outstanding Green Power Development

## Overview

In a dynamic market, Asiacell concluded 2023 on a high note, registering elevated revenue and solidifying its position as the leading mobile network operator in Iraq. This success can be attributed to employees' commitment to contributing to the development and implementation of a strategic roadmap based on logical analysis, while focusing on business expansion.

The company disclosed revenues of QR 4,452 million [1.659 billion dinars], reflecting a 21% increase over the previous year, driven by the introduction of innovative products and services such as the summer campaign, 'Yalla Malaysia'; 'Check Your Offer'; free social media data; and sales contests across many channels. This growth was bolstered by a notable increase in data consumption and an expanded digital portfolio. EBITDA reached QR 1,953 million. Through prudent cost efficiency programmes, Asiacell Iraq adeptly managed the impact of rising external costs, including those related to fuel and data.

Over the course of 2023, the company harnessed available resources and enablers, establishing robust platforms under the banner of 'Value Creation'. This was achieved despite myriad challenges within Iraq, with those presented by power shortages in the National Grid further exacerbated by escalating fuel prices.

Asiacell Iraq led the market in data services and 4G market share, testament to the successful launch of new data products, the 'YOOZ' Youth platform and targeted Customer Value Management (CVM) initiatives. These endeavours were complemented by strategic digital channel initiatives.

Furthermore, Asiacell Iraq continued its fibre rollout and introduced 4G+ technology across major cities across the country, resulting in heightened speed and an enhanced customer experience. The 'Arbaineeyah' event proved to be a resounding success, yielding a positive outcome in customer satisfaction and revenue.

In the realm of corporate social responsibility, Asiacell Iraq made significant strides through initiatives such as the 'Learning for a Cause', 'TEDxNishtiman' and United Nations Development Programme Projects, exemplifying the company's commitment to community welfare. In addition, the adoption of hybrid power solutions not only reduced carbon emissions but also translated into cost savings.

The deployment of a Smart network planning tool markedly improved accuracy, contributing to cost efficiencies, particularly in areas such as fuel expenditure, security and site rentals. Integration with the National Grid played a pivotal role in achieving these savings.

Through the implementation of a customer experience management platform and the revamping of mobile eCommerce, Asiacell upgraded both the customer experience and the online shopping journey. Streamlining digital marketing platforms led to enhanced operational efficiency, while the launch of a unified API gateway facilitated seamless management of third-party partnerships. Noteworthy advancements were also witnessed in Asiacell Iraq's data portfolio revamp, channel optimisation and the incorporation of big data use cases in CVM activities, fortifying the organisation's capabilities.

As always, Asiacell Iraq placed paramount importance on its human capital, recognising its workforce as a cornerstone of its success. Substantial investments in training and development continued to be prioritised throughout 2023, with a particular emphasis on e-learning initiatives. While formal COVID restrictions have been lifted, the well-being of employees remains a central concern, with remote work arrangements continuing where suitable.

Asiacell Iraq solidified its position as a prominent advocate for entrepreneurs in Iraq in 2023. Through strategic partnerships, the company continued to provide crucial financial and technological support to aspiring youth and start-ups across all regions of Iraq. A steadfast commitment to refining and enhancing business processes was maintained, with regular evaluations being conducted to ensure optimal efficiency and effectiveness in day-to-day operations, while upholding stringent governance standards.


## Outlook

Looking ahead, Asiacell Iraq's brand growth trajectory will centre around digital marketing, building on the achievements of 2023. The company is committed to distinctive brand positioning through extensive coverage and elevated 4G+ speeds, streamlined product and service delivery, an enhanced digital touchpoint experience, and swift, effective resolution of customer concerns and issues.

Asiacell Iraq is poised to elevate process automation endeavours, exploring cutting-edge technologies such as robotics to further streamline operations.

The company is prepared to navigate new and evolving regulatory landscapes in the telecoms industry, proactively embracing changes that promise growth and progress and positioning itself as a key partner to the industry regulator in Iraq.

Business review

# MYANMAR

**"2023 was another year of resilience for Ooredoo Myanmar. The company continued to deliver revenue growth by focusing on value optimisation and driving customer-centricity through digital channels, despite continued challenges."**

**Chris Peirce**
Acting Chief Executive Officer
Ooredoo Myanmar

## Customers
(in thousands)

**8,512**

**2023** 8,512
**2022** 7,530
**2021** 11,491
**2020** 14,716
**2019** 11,527

## Operator importance to Group

**15%** CUSTOMERS

**3%** EBITDA

**4%** REVENUE

**2%** CAPEX

## Financial performance

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| **Revenue QR millions** | 1,062 | 1,172 | 1,068 | 1,037 | **850** |
| **EBITDA QR millions** | 280 | 314 | 376 | 404 | **327** |
| **EBITDA margin** | 26% | 27% | 35% | 39% | **38%** |
| **Blended ARPU* QR** | 7.9 | 6.8 | 7.1 | 10.2 | **7.7** |
| **Employees** | 836 | 849 | 841 | 696 | **743** |

* Blended ARPU is for the three months ended 31 December.



## Overview

Revenue for 2023 stood at QR 850 millions , a 18% decrease mainly driven by FX variance. In local currency, the revenue grew by 3.9% driven by voice and fixed services revenue. EBITDA stood at QR 327 million with EBITDA margin at 38%.

Ooredoo Myanmar maintained its leading position in digital and its leadership in customer satisfaction scores, driven by its value proposition and data experience. The company ranked top of net promoter scores in the country - four points higher than the second-ranking competitor - and increasing its customer satisfaction score by three points, attaining #1 position in Q3 2023. Digital revenue contribution to overall revenue increased to 12% for the year, with revenue generated by the Ooredoo App standing at 56% of overall revenue.

Underscoring Ooredoo Myanmar's commitment to upgrading its customers' worlds via the provision of uninterrupted voice coverage, the company extended its EGSM spectrum license for a further three years in late 2023. A transition from OpEx to CapEx also took place with the SIGMAR submarine cable capacity upgrade in July. Furthermore, an extension of the land lease for YGN DC, a mission-critical infrastructure for the company, was secured; a move integral to sustaining network operations and ensuring seamless business continuity.

Challenges in 2023 included an impact on the market due to the political situation, with the resulting spike in inflation affecting investment and overall business operation. Increases in global oil prices drove pronounced increases in domestic fuel prices and transport costs, as well as the cost of running diesel generators to compensate for recurring electricity outages. Local currency depreciation, scarcity of US dollar liquidity, a lengthened FX process for USD purchase, supply chain disruptions and the spillover effects of higher transport costs have resulted in price increases for a range of imported inputs, putting further pressure on already thin profit margins.

To offset the potential negative impact of these conditions, Ooredoo Myanmar continued to focus on value optimisation and customer-centricity, with particular attention paid to enhancing digital channel services – including the launch of ChatBot in Viber and, a gaming arcade for casual gamers, an IVR radio for rural customers and a merged app for dealers and agents - and customer retention. The overall aim was to maintain revenue growth momentum in both mobile and fixed services. A drive to push digital sales at retail outlets, combined with sales force efficiency, resulted in an increase of 13% in digital recharge rates compared to last year. A continued focus on Voice of Customers (VoC), including studies and both structured and unstructured feedback across a variety of channels, customer segments and touchpoints, led to a clearer understanding of customer preferences and pain points.

The company also focused on cost optimisation to further offset the negative impact of the challenging conditions. Initiatives included the renegotiation with tower companies for better availability and cost reduction; ICT in-house development scope expansion for microservices development and major platform development to reduce the cost of development; renegotiation and scope expansion of network implementation services with local service providers to reduce OEM implementation service costs; an international gateway capacity swap between terrestrial and submarine via Campana; and a reduction in bad debts through a better collection process. The utilisation of digital sales processes led to a saving of 0.4% in commission payments.

Advances in the fintech sector included a new onboarding process for customers, the addition of 130+ merchants to the fintech offering and a direct connection with Mastercard and Visa.

Business customers benefited from the launch of an ICT portfolio that included a Cloud Contact Centre, Cloud PABX and Cloud SIP, with B2B business growing year-on-year by 13% and wholesale data growth standing at 42%.

Various initiatives such as strategy meets, team huddles, top-decile employee engagements and a focus on the Organisational Health Index led to Ooredoo Myanmar being certified as a Great Place to Work in 2023, with participation rates and scores the highest ever for the company.

Ooredoo Myanmar continued its CSR commitment to its community in 2023, with notable campaigns being the repetition of the 1 Minute/1Kyat initiative to raise funds to build schools, and the Digital Library Transformation Initiative, with the aim of transforming traditional libraries into digital libraries to increase accessibility and broaden knowledge horizons. The company also supported the Tech Age Girls Myanmar programme to empower young girls and women in the country; donated food packs to schools and orphanages; aided clean water projects in dry zones and delta regions of Myanmar; contributed to relief efforts in the wake of Cyclone Mocha; and contributed flood relief supplies to flood-affected households in Mon state.

## Outlook

While severe supply and demand constraints continue to limit economic activity in Myanmar, GDP is expected to grow at a compound annual growth rate of 2.4%.

The mobile market will continue to move towards a low gross-adds and low churn model, which will – in conjunction with low real penetration rates – offer a significant opportunity to drive revenue through digital distribution excellence.

The launch of eSIM will enhance the customer experience in Myanmar, as will new releases on the app and a range of other initiatives including IoT managed services, new payment options and new digital services in gaming and content. Ooredoo Myanmar sees further opportunities in digital content, streaming services, online gaming, eCommerce and other digital services.

Business review

# PALESTINE

**"Ooredoo Palestine continued its excellent commercial and financial performance in 2023, notwithstanding the challenging operating environment and the painful loss of colleagues. Indeed, we succeeded in surpassing last year's performance on all major key performance indicators."**

**Dr. Samer Fares**
Chief Executive Officer
Ooredoo Palestine

## Customers
(in thousands)

**1,439**

**2023** 1,439
**2022** 1,410
**2021** 1,382
**2020** 1,312
**2019** 1,323

## Operator importance to Group

**2.5%** CUSTOMERS

**1.6%** EBITDA

**1.7%** REVENUE

**1.5%** CAPEX

## Financial performance

| | 2019 | 2020 | 2021 | 2022 | **2023** |
|---|---|---|---|---|---|
| **Revenue QR millions** | 362 | 370 | 408 | 421 | **397** |
| **EBITDA QR millions** | 109 | 125 | 149 | 155 | **155** |
| **EBITDA margin** | 30% | 34% | 36% | 37% | **39%** |
| **Blended ARPU* QR** | 23.0 | 22.9 | 21.6 | 21.3 | **18.1** |
| **Employees** | 537 | 514 | 520 | 527 | **517** |

* Blended ARPU is for the three months ended 31 December.



## Overview

Ooredoo Palestine recorded a strong financial performance in 2023. When eliminating the currency impact revenue grew by 2% compared to the previous year, supported by an increase in data revenue across all segments, growth in B2B and the postpaid consumer segment. A strong expansion in handset sales and profit margins also contributed to growth.

EBITDA reached QR 155 million, with EBITDA margin at 39%. Mobile customer base grew by 2%, with total customer numbers reaching 1.4 million.

B2B revenue witnessed healthy growth compared to 2022, achieved by the widening of Ooredoo Palestine's B2B base in addition to various ARPU development activities. Moreover, wholesale revenues also witnessed double-digit growth year-on-year.

The company made many improvements to the mobile app and website to attract customers and make its digital channels more exciting to use. Connecting digital channels to a payment gateway to accept Visa payments extended digital sales options, while integrating the app with Voice of Customers (VoC), introducing a gamification feature and enabling more options in the app enhanced the digital customer experience. Data revenue outperformed the same period last year, with data traffic up 7% as a result of the Ooredoo Palestine's data monetisation strategy to enhance data revenue and penetration.

Ooredoo Palestine's digitalisation drive continued, with more than 97.5% of total recharges being carried out digitally by year-end.

As the second largest operator in the Palestinian mobile market, Ooredoo Palestine gained significant mobile customer market share in 2023, reaching 31.8%. Its customer base increased at a rate greater than the market, increasing by 2.2% in comparison to the same time last year, driven by acquisitions, promotions initiatives and successful retention plans.

Revenue market share increased by 0.7% PP, reaching 32%, owing to Ooredoo Palestine's mobile data market leader position and enhancement in Gaza's market value proposition. Studies indicate Ooredoo Palestine's grab of 3G traffic stands at more than 50%.

Ooredoo Palestine increased its postpaid base contribution by multiple acquisition activities and by migrating high-value prepaid customers to the postpaid segment.

Key launches for 2023 included new services such as Car Doctor and NameTag, a hashtag service exclusive to a customer's brand that allows subscribers to easily reach and connect with them directly.

In all customer satisfaction indicators (NPS and CSAT) Ooredoo Palestine maintained its leadership of the market, with a continuous focus on VoC enhancing customer relationships and increasing loyalty.

Ooredoo Palestine faced ongoing challenges characteristic of its tenure as a telecommunications operator in the country, with these challenges becoming polarised towards the end of 2023 with the onset of new hostilities. Weakened purchasing power and rising food and fuel prices had an adverse impact on revenues and growth in the telecoms market. Aggressive competition and a lack of 4G/5G licences being granted to Ooredoo Palestine continue to negatively affect growth and development. From the onset of the latest hostilities, Ooredoo Palestine has led support for its communities with the provision of free minutes, SMS and 2G/3G data.

## Outlook

Although its people in the Gaza Strip experienced a difficult year, Ooredoo Palestine is guided by hope for a better future and wishes for an end to the war against the Gaza Strip. The company intends, as a top priority, to rebuild what was destroyed in the Gaza Strip and competently restore services to customers. Given the increasingly volatile situation in Palestine, providing an outlook for the company is difficult. Ooredoo Palestine remains ready to launch 4G in the country, benefitting from its position as a leader in data service in terms of network quality and data market share. Investment in 4G continues, alongside continuous market studies. Given the negative outcome of the war over the West Bank economy and the complex political situation, the company plans a major shift in attention to retention and churn management efforts to protect its base and withstand these tough times.


Ooredoo Palestine will continue to maximise the ever-growing opportunities seen in the field of data monetisation by harnessing new technology. Internet packages to suit the needs of subscribers will also be a key focus, as will increasing the number of customers consuming data and using services and applications mainly adopted online.

Ooredoo Palestine also intends to direct customers towards digital channels, thereby enhancing the company's financial position, in the coming year. Quality and variety of services provided will be hugely enhanced by gaining access to 4G services, which – if obtained despite the ongoing challenges – will be a qualitative leap towards development, facilitating the adoption of myriad new applications and digital services.

Business review

# MALDIVES

**"In 2023, our focus remained on customer experience across all service segments. We continued to upgrade our offering and streamline our service platforms, resulting in noteworthy business achievements and outpacing the overall industry growth rate."**

**Khalid Hassan M A Al-Hamadi**
Chief Executive Officer and Managing Director
Ooredoo Maldives

## Customers
(in thousands)

**392**

**2023** 392
**2022** 387
**2021** 368
**2020** 349
**2019** 405

## Operator importance to Group

**0.7%** CUSTOMERS

**2.9%** EBITDA

**2.1%** REVENUE

**4.3%** CAPEX

## Financial performance

| | 2019 | 2020 | 2021 | 2022 | **2023** |
|---|---|---|---|---|---|
| **Revenue QR millions** | 481 | 407 | 422 | 454 | **495** |
| **EBITDA QR millions** | 264 | 202 | 208 | 244 | **278** |
| **EBITDA margin** | 55% | 50% | 49% | 54% | **56%** |
| **Blended ARPU* QR** | 56.2 | 60.5 | 66.3 | 67.9 | **72.0** |
| **Employees** | 370 | 366 | 370 | 367 | **380** |

* Blended ARPU is for the three months ended 31 December.

## Awards

Corporate Maldives
**Gold 100 award**



## Overview

Ooredoo Maldives maintained a robust market share in 2023, recording an overall Revenue Market Share (RMS) gain of 7.6% over the previous year and reaching 45% at year-end 2023. The company outpaced the overall industry growth rate of 4.8% with an impressive growth of 9%, demonstrating its resilient, competitive position in the country's telecoms sector.

Ooredoo Maldives reported a strong financial performance for 2023 with revenues of QR 495 million, up 9% in comparison to the previous year. Surpassing the industry average growth of 4.4%, this increase can primarily be attributed to increased contributions from both the Mobile and Fixed business segments. EBITDA stood at QR 278 million (2022: QR 244 million) with a strong EBITDA margin at 56.2%, representing a 1% year-on-year improvement.

Challenges arose from global economic conditions, marked by a potential recession and inflationary pressures from rising global commodity prices.

Government intervention on pricing continued, affecting the fixed broadband sector. In response, Ooredoo Maldives diversified its revenue streams by expanding its provision of SuperNet FBB services to 11 new islands.

Simultaneously, governmental implementation of a SIM limit policy reflected ongoing efforts to enhance regulatory measures, impacting customer acquisition and service provision dynamics.

External factors, such as the entry of Starlink with an ISP license and the deployment of the Ocean Connect submarine cable connecting the Maldives with Singapore, show the evolving telecommunications landscape, presenting both challenges and opportunities for Ooredoo Maldives in the fixed broadband and B2B segments.

In the mobile segment, Ooredoo Maldives faced heightened competition with propositions of higher data volumes, and the risk of mobile segment degrowth due to increased fixed broadband penetration. To counter these challenges, the company launched content and gaming bundles and enhanced digital engagement. The B2B domain emerged as a key growth indicator, with Ooredoo Business successfully offering a differentiated product portfolio.

Ooredoo Maldives inaugurated a new headquarters in the city of Hulhumale, featuring state-of-the-art facilities and cutting-edge technology that enables a comfortable, engaging work environment that encourages productivity and growth.

Improving the digital customer experience, the company integrated e-Faas (National Digital Identity) into its self-care portal, enabling customers to easily verify their identity when upgrading their postpaid plans or transitioning from a physical SIM to an eSIM. Additionally, the Ooredoo Maldives corporate website underwent a comprehensive overhaul, enhancing user journeys for bill payments, recharges, and pack activations. This led to a 2% year-on-year growth in digital recharges and accelerated digital adoption in both sales and customer care. Implementing gamification initiatives on the Ooredoo App, such as the highly acclaimed Hadhiyaafoshi during Ramadan, significantly increased digital engagement and online interactions, resulting in a remarkable 250% rise in engagement within the SuperApp throughout the month of Ramadan.

New partnerships with merchants, businesses and organisations enhanced the company's eCommerce platform, Moolee, and its digital financial services platform, m-Faisaa.

In 2023, growth was seen across every business segment. Mobile growth was driven by a Customer Value Management programme to increase customer engagement and tailored offers, complemented by new content and gaming offers. Fixed line growth was driven by new island launches, increased 5G broadband penetration, and an increase in tourist arrivals, contributing to healthy growth of roaming revenue. Penetration in the hospitality sector, combined with a heightened sales approach, contributed to market growth for B2B.

A strong focus on community engagement across the country, with popular events such as the Ooredoo Fun Run, Ooredoo Masrace across all cities and the newly launched 'Ooredoo Nation Gamers Land – the Ultimate Gaming Festival', increased Ooredoo Maldives' connection with its customers and the people of Maldives. In alignment with its CSR strategy, the company continued to support its community by donating health kits across the country, fostering a culture of innovation through initiatives such as the Inter-school STEM Fair and promoting national cyber-safety efforts with digital literacy programmes.

Ooredoo Maldives also worked with Maldives Police Services and the Women in Tech organisation to create cyber-safety awareness among students and parents.

Cost optimisation initiatives were set in place to improve operational efficiency, with effective cost-control measures ensuring business continuity. The introduction and promotion of more digital offerings optimised intermediate costs, while critical reviews of spending requirements ensured justification and optimisation of all costs. OpEx and CapEx optimisation also helped maintain smooth cash flow.

## Outlook

Opportunities for new business are expected to increase in 2024 due to a housing market surge in the Greater Male area, creating growth in demand for 5G, home broadband and B2B services. With the overall telecoms industry focusing on improving connectivity and investing in new technology, Ooredoo Maldives expects to see increased demand for IoT and cloud solutions, as well as for FinTech and eCommerce. With new islands being covered by ISP, the fixed broadband segment is predicted to grow accordingly.

Ooredoo Maldives will focus on a multi-play strategy to drive growth and user engagement, including content and gaming partnerships and a fixed wireline footprint expansion. The company's loyalty programme will encompass earn/burn across telecoms, eCommerce and finance segments, and an improvement in service penetration will drive value-based growth in the B2B segment. Cloud and data centre offerings will position Ooredoo Business as a single-window service offering.

# ESG REVIEW

## Environmental, Social and Governance Update

We are vigorously pursuing Environmental, Social and Governance initiatives to help build a sustainable legacy for all.

ESG Overview

# Environmental, Social and Governance Report

## 1. Overview

This Environmental, Social and Governance (ESG) overview provides top-level insight into Ooredoo Group's sustainability approach and dedication to local and international ESG commitments and initiatives. We highlight our practices and progress on issues deemed most critical to our business encompassing our operations across nine markets: Qatar, Algeria, Iraq, Kuwait, Maldives, Myanmar, Oman, Palestine, and Tunisia. A more comprehensive review of our ESG performance can be found in our inaugural and standalone ESG Report, which will be published in Q2 2024 covering the 2023 reporting cycle.

Ooredoo Group is steadfast in its commitment to the United Nations Sustainable Development Goals (UN SDGs), which aims to eradicate poverty, improve lives, and create a healthier world for future generations. Leveraging our telecom expertise, we are dedicated to driving positive social and economic change. Across our international footprint, we function as digital enablers, empowering individuals to reach their potential and making a tangible impact in the communities we serve.

In addition to our ongoing commitment to minimize our environmental impact and contribute to the creation of a healthier world, our multi-faceted approach to ESG focuses on three key objectives:

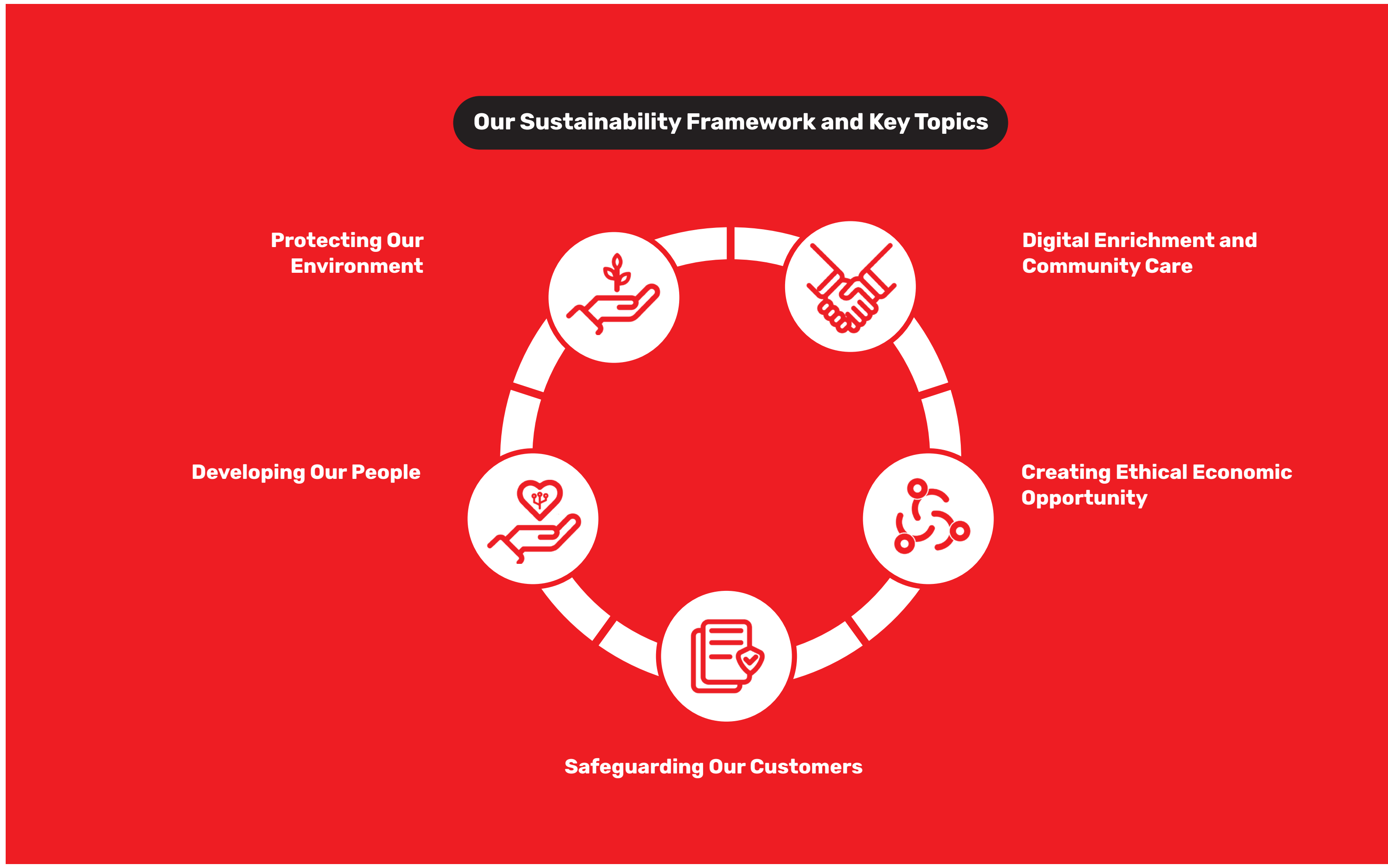
**Accelerating the empowerment of women**

**Improving women's health, children's health, and disaster response**

**Helping everyone to stay connected at all times by empowering local innovation and digitalization**

We have an ambitious vision to be a regional leader in sustainability within the telecommunications industry and are proud to be recognized both by the Forbes Middle East's Sustainable 100, and through our 100 percent score in the latest available 2022 Arab Sustainability Report by the Qatar Stock Exchange for the fourth year in a row.






### 1.1. Our ESG Framework

Alongside a materiality refreshment in alignment with the latest sector-specific Global Reporting Initiative (GRI) standards, this year has seen us make continued progress on the creation of a formal ESG framework. Phase one of the framework development has been concluded with benchmarking assessments and the identification of disclosure gaps. We are now working on phase two, exploring areas where we can make the most impact and highlighting synergies between ESG initiatives and company principles, as well as the establishment of an ESG committee.

We envisage our framework will be based on five key pillars, aligned with our mission and values, and designed to leverage mobile technology for the greatest positive social, environmental and economic outcomes.

### 1.2. National and International Regulations Alignment

At Ooredoo Group, we report our ESG performance in alignment with international ESG reporting requirements and standards, including the latest GRI, and adhere to the national vision and regulations including the third Qatar National Development Strategy. We address telecom sector-specific topics in alignment with the Sustainability Accounting Standards Board (SASB) Standards and have begun to consider the reporting requirements of International Financial Reporting Standards (IFRS) S1 and S2, which became effective from 1 January 2024.

## 2. Key Highlights & Performance in 2023

### 2.1. Digital Enrichment and Community Care

As a leader in the telecommunications industry, we understand how social and economic growth can be galvanized stimulated by mobile technology. As such, our objective is to enhance the lives of our customers and encourage wider social development through our services.

Ooredoo Group is accelerating its digital transformation and elevating the customer experience through strategic partnerships such as Google Cloud Technologies and Tech Mahindra, a leading provider of digital transformation, consulting, and business re-engineering services. These collaborations mark a pivotal step in advancing Ooredoo Group's digital initiatives across six operating companies within its global footprint, reinforcing its commitment to innovation and customer-centric solutions.

As part of Ooredoo Group's commitment to expand digitalization, Ooredoo Algeria has partnered with the largest

# Environmental, Social and Governance Report

national bank in Algeria, as well as a private domestic arm of an international bank, Societe Generale Algerie (SGA), to expand and promote online payments through external digital touchpoints. Our goal is to extend coverage across the diverse regions of our operations, delivering the highest service quality to our valued customers.

We are proud to be a responsible business, and in line with our commitment to the UN SDGs, we are dedicated to championing communities at all levels and demographics. Each year, we run initiatives to support female empowerment, youth entrepreneurship and underserved groups, and encourage our employees to get involved. In addition to this, in 2023, we also ran the following programmes:

**Save the dream**

A global initiative initiated by the International Centre for Sport Security (ICSS) empowers youth through safe sports access and instils core values globally. Ooredoo Qatar actively supports this movement, joining hands with organizations, individuals, and athletes committed to creating fairer, more inclusive societies.

**Workshops for the elderly**

Ooredoo Group hosted a three-day workshop for elderly people, raising fraud awareness and providing education on safe digital practices. This aligns with Ooredoo Group's commitment to empower and protect diverse community segments.

**Doha Marathon by Ooredoo**

Our national marathon saw an impressive turnout of more than 8,000 runners from more than 80 countries.

Alongside these initiatives we have continued to provide financial support and volunteer time to a wide range of causes, such as Qatar Red Crescent, Gaza refugee organizations, humanitarian campaign Rafeeq Al Kahir, and charities providing disaster relief in Türkiye and Syria.

### 2.2. Creating Ethical Economic Opportunity

Ooredoo holds itself to the highest standards of corporate governance throughout all aspects of its operations, ensuring the company's ongoing stability and security, and a continued positive impact on all stakeholders. We are committed to upholding best practice in every decision made within the Ooredoo Group.

We strive to adhere to all applicable international standards governing anti-competitive and anti-corruption practices, supporting fair competition for sustainable economies. Our Code of Ethics, endorsed by senior management and subsidiaries, guides our commitment to honest and competitive business operations.

For our employees, continuous online training programs and an annual Code of Conduct review – in accordance with international standards and laws –underscores their commitment to ethical business.

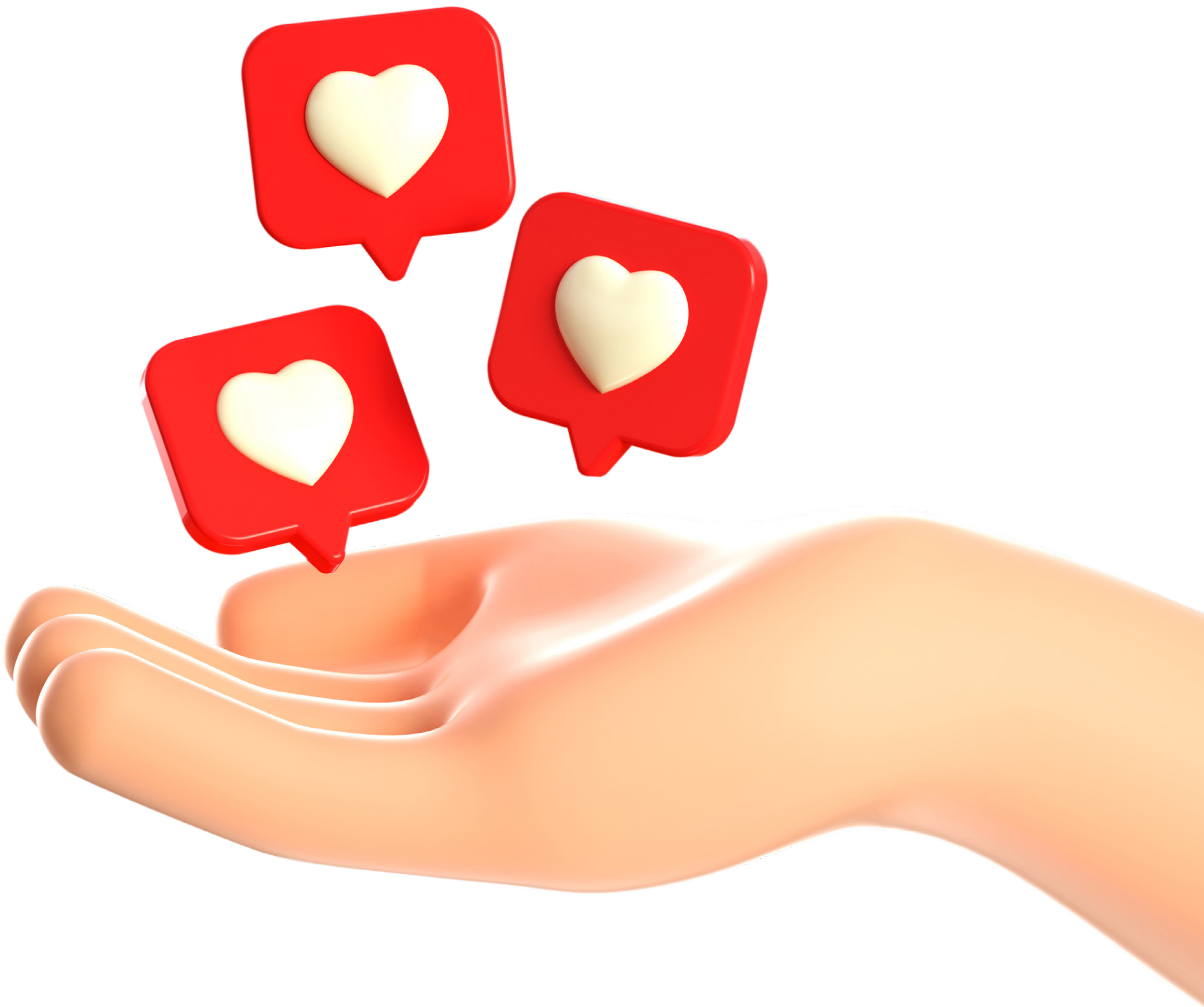
Our suppliers are expected to adhere to Ooredoo's Guidelines for Ethical Conduct and Fair Practices, which ensure a standard of fair dealing, moral behavior, corporate honesty, and openness. Additionally, we actively prevent corruption and bribery by complying with Applicable Anti-Corruption Laws in our supplier agreements. Ooredoo emphasizes collaboration only with suppliers that meet or exceed these standards, and adherence is a prerequisite for participation in our sourcing processes. The Guidelines for Ethical Conduct and Fair Practices ensures the consideration of social and environmental factors in the supply chain, including Ooredoo's Health, Safety & Environment (HSE) requirements, which are ISO 14001 compliant. Suppliers are also obligated to follow Ooredoo's customer privacy guidelines.

### 2.3. Developing Our People

We employ more than 13,600 employees across nine countries and are committed to supporting the development our of people in line with our continued growth. We prioritise a welcoming and inclusive workplace culture where everybody feels heard and valued, and we leverage a wide range of policies and programmes to support this endeavor.

At the core of our efforts is our commitment to equal opportunity, with our comprehensive HR policy ensuring unbiased treatment in hiring, promotions, transfers, compensation, and all employment-related decisions, irrespective of factors such as race, color, marital status, parental status, ancestry, source of income, gender, age, or handicap. We have a formal human rights policy, and a grievance procedure in place to address disputes. To date, there have been zero recorded incidents of discrimination or human rights abuses at Ooredoo.

This year we introduced regular team meetings between business unit heads and those reporting directly to them, covering key business updates, opportunities for Q&As, and more. These meetings have been effective in enhancing communication throughout the business, and creating opportunities to share ideas, reflect on challenges and celebrate our successes.



# Environmental, Social and Governance Report

We have a wide range of programs in place to equip our people with the skills and tools they need to develop professionally, including induction programs, talent development initiatives, succession planning, leadership development programs, and external scholarships. This year we introduced several new initiatives, including capability-building program Reskilling, Upskilling and New Skilling (RUN) and feedback training program SHIFT. We want our people to feel valued for their important contribution to the business, so we have also introduced a range of enhanced benefits, including paternity leave, extended maternity leave, generous employee discounts, and private health insurance. More than 155 of our top-performing employees were also recognized for awards as part of our ABTAL initiative, designed to reward those going above and beyond their duties.

We are dedicated to fostering female empowerment within our organization, actively supporting our female staff in overcoming obstacles that hinder their economic and social progress. Our efforts align with the principles of the International Labor Organization's (ILO) Decent Work Agenda, and we have undertaken a range of activities to realize this ambition, particularly this year's GLOW (Greater Learning Opportunities for Women) initiative, which focused on supporting female employees to grow and advance in their careers.

We are proud to be one of the leading employers of nationals in the regions where we operate, in line with national visions and agendas. Our efforts here encompass various initiatives such as development programs, scholarships, sponsorships, succession planning, and secondary school development programs, among others. Ooredoo Qatar has a formal and established Qatarization policy in place, encompassing key initiatives such as the Qatari Graduate Development Program (QGDP), Qatari Diploma Development Program (QDDP), and Qatari Secondary School Development Program (QSSDP), as well as sponsorship and scholarship schemes. These programs are strategically designed to promote and enhance nationalization efforts across the organization, contributing to the development and growth of local talent.

The health and wellbeing of our employees is a top priority for Ooredoo Group, and our Occupational Health and Safety Management System extends its coverage to all individuals, encompassing employees, consultants, contractors, and visitors. Additionally, we have established processes to identify hazards and assess risks associated with incidents, ensuring swift corrective actions. We are proud of our health and safety record, and this year had zero (0) reported incidents.

### 2.4. Protecting Our Environment

At Ooredoo Group, we are committed to the UN SDGs and to the highest standards of environmental protection. As an industry leader, we are working hard to minimize our ecological footprint and create an all-round healthier world.

The primary environmental impact of the telecommunications industry is energy consumption. Our key objectives are therefore focused on optimizing our energy usage and minimizing the associated emissions. Our projects in 2023 include:

**Ooredoo Tunisia**

- Deploying building energy and $CO_2$ emission monitoring
- Reforesting 70 hectares of wildfire-damaged land in Siliana in partnership with the Ministry of Agriculture

**Ooredoo Algeria**

- Acquiring new low-energy LED panels for office spaces
- Re-developing outdoor esplanade with plants and minerals to enhance the urban landscape

**Asiacell**

- Installing 25 new solar sites (BTS sites) across the network
- Moving 750 sites to hybrid power that will reduce site generator operations to below 14 hours per day
- Swapping VRLA batteries to lithium batteries with greater cycle capacity and longer lifespans
- Equipping 490 sites with silent low emissions generators
- Connecting 900+ sites to local generators (GL) to reduce fuel consumption

**Ooredoo Qatar**

- Ooredoo Qatar has been trialing energy saving features for their mobile networks (2G/3G/4G/5G) to counteract the increasing power consumption trend as more sites and capacity is added to the network. Several energy saving initiatives were tested to save energy, like reducing the capacity of low-traffic sites, changing some technical features and removal of certain equipment. Overall, these efforts reduced the energy consumption by 8.5% (equivalent to 21 MWh).



Elsewhere, we have a range of ongoing initiatives, such as Ooredoo Oman's active promotion of e-SIMs and the use of recycled material in our plastic-free recharge cards. Ooredoo Kuwait has adopted a strategy for handling old equipment such as batteries, scrap hardware, steel towers, and others, while Ooredoo Palestine has an agreement with a third party for recycling shredded paper. Ooredoo Qatar collaborated with Seashore to encourage customers to recycle unwanted devices in exchange for Nojoom Points - a points-based rewards system that allows Ooredoo App users to collect points for money spent on Ooredoo services or services provided by brand partners which can later be redeemed for bill payment, vouchers or rewards.

We sponsored Expo 2023 Doha, the theme of which was 'Green Desert, Better Environment', focusing on fostering sustainable innovations and addressing desertification. The event aims to motivate attendees to engage in transformation across four key topics: modern agriculture, technology and innovation, environmental awareness, and sustainability.

We take our environmental impacts seriously and in 2024 we aim to explore the creation of a dedicated sustainability team to drive our efforts further.

### 2.5. Safeguarding Our Customers

As a fully-integrated operator with multiple product portfolios and both consumer and B2B audiences, we aim to consistently deliver quality and value to our customers. Their satisfaction is our foremost priority, and we hold ISO 9001 certification in responsible customer relations. Our customers can contact us at any time through a variety of channels, and we routinely undertake customer satisfaction surveys in each market to help us understand and address customer priorities. Net Promoter Score (NPS) and Customer Satisfaction (CSAT) surveys are conducted every month to determine satisfaction levels across a variety of attributes deemed to be critical by customers, helping us to identify future improvement opportunities.

Privacy and data security is of critical importance to Ooredoo Group, and our safeguards here are underpinned by a set of comprehensive policies, including the Protection of Personal Data Privacy Policy, which aligns with applicable international laws and standards. In vendor contracts, Ooredoo Group embeds robust customer privacy and data security requirements to minimize the risk of personal data breaches, and carries out a privacy impact assessment before introducing new methods of data processing. At Ooredoo Kuwait, further proactive measures are implemented as part of PCI DSS 4.0 requirements and ISO 27001:2022 certification.

In 2023, Ooredoo Group built on its mandatory data privacy awareness training sessions with an online training program for all staff. We have also introduced a personal data labeling tool in our email system to facilitate greater protection of personal information.

### 3. Outlook

As a regional leader in the telecommunications industry, Ooredoo Group is well-positioned to drive impactful change alongside sustainable business growth. Through our inaugural ESG report, we aim to incorporate a refreshed materiality assessment on our key ESG issues, as well as reflect our commitment to transparent communication on sustainability, and updated reporting practices. We are currently exploring the development of a formal ESG Strategy and Framework, and we envision these advancements paving the way for multiple growth opportunities, including deeper industry partnerships and ESG financing, further reinforcing our position as a responsible business committed to creating a positive impact on society and the environment.

# CORPORATE GOVERNANCE REPORT

Living up to our values and supporting best practices

**"The Board of Directors and Senior Executives are entrusted with overseeing and managing Ooredoo Group, and this important responsibility requires commitment, objectivity and accountability from those in leadership positions. Our role is to ensure the implementation of the highest governance principles and ethics in the Company. We implement best practices in accordance with the requirements of stock markets in which Ooredoo is listed. We assure our Shareholders that the principles and policies of governance we implement are the basis for each decision we issue and procedure we implement at Ooredoo Group level."**

**Faisal Bin Thani Al Thani**
Chairman of the Board

### 1. Ooredoo Values and Corporate Governance Philosophy

Ooredoo's Board and Management have played a central role in the Company's journey of transformation of recent years, upholding the Company's commitment to good governance and ethical business practices as the Company shifted towards a new 'smart telco' business model.

The Board recognises that good corporate governance practices contribute to the creation, maintenance and increase of shareholder value. This includes a commitment to the highest standards of corporate governance, by regularly reviewing the governance structures and practices in place to ensure their effectiveness and consistency with local and international developments.

The Board of Directors abides by the provisions and principles set out in the Commercial Companies Law No. 11 for 2015 and its amendments in Law No. 8 for 2021, and the Corporate Governance Code for Companies and Legal Entities listed on the main market issued by Qatar Financial Markets Authority and other relevant Laws and Regulations set by QFMA, taking these into consideration when drafting Laws and Regulations of the Company.

In addition, Ooredoo is keen on strengthening its corporate governance framework in compliance with the requirements of governance rules and relevant Laws and Regulations set by Qatar Financial Markets Authority (QFMA) through:

1. Updating and improving the Company's Articles of Association.
2. Updating and improving governance Policies and Procedures Guides.
3. Updating and implementation of the Board's and SubCommittees' Charter.
4. Implementation of best practices adopted in the State of Qatar.
5. Updating and improving Internal Procedures, Policies and Processes.

As outlined in the Report, we at Ooredoo affirm that we abide by the provisions of governance rules and relevant Laws and Regulations issued by QFMA, as well as disclosure requirements.

### 2. Role and Responsibilities of the Board of Directors

The primary role of the Board of Directors is to provide institutional leadership to the Company, within a framework of prudent and effective controls enabling risk to be assessed and managed. This role has been fully illustrated through the Articles of Association of the Company and its relevant By-Laws, the Commercial Companies Law No. (11) for 2015 and its amendments in Law No. (8) for 2021 and Corporate Governance Code for Companies and Legal Entities listed on the main market issued by Qatar Financial Markets Authority, in particular Articles (8) and (9), which were incorporated as a Charter of the Board in a special section of the Corporate Governance Manual.

The Board of Directors has the power and full authority to manage Ooredoo and its Group, and to pursue the primary objective of creating value for Shareholders, with consideration given to the continuity of the Group's business and the achievement of corporate objectives. The Board is also concerned with the maintenance of equity and justice among stakeholders in terms of timely disclosures and making information available to QFMA and the Company's Shareholders. The Board is also concerned with periodically reviewing the implementations of governance and compliance with developing the code of ethics, internal policies and the fundamental covenants which includes: 1) covenants of the Board and its Committees, 2) policies to deal with concerned parties and shareholders, 3) the rules for qualified insider trading. As Ooredoo Q.S.P.C is both the Parent Company of the Ooredoo Group and an Operating Company in the State of Qatar, its Board of Directors has a dual role.

Within this framework, the Board of Directors undertakes major responsibilities and duties, including:

- Vision and Strategy: determining and refining the Group Vision and Objectives, as well as those of Ooredoo, which are the foundation for all the actions and decisions of the Board and Management.
- Management Oversight: appointing the CEO, establishing his duties and powers, assessing his performance and determining his remuneration; nominating the Board Members and the key Officers of Ooredoo and its Group.
- Financial and Investment: reviewing and approving reports and accounts and overseeing the Group and Ooredoo financial positions.
- Governance and Compliance: preparing and adopting the Corporate Governance Rules for Ooredoo and establishing guidelines for the governance of the Group.
- Communication with Stakeholders: overseeing Shareholder Reporting and Communications.
- Annual Training: approving the annual plan of Training and Education in the Company that includes programs introducing the Company, its Activities and Governance.
- Board Orientation: procedures are laid down for orienting the new Board Members of the Company's Business and, in particular, the Financial and Legal aspects, in addition to their Training, where necessary.

The Board of Directors is also responsible for disclosure of information to Shareholders of Ooredoo in an accurate and timely manner. All Shareholders can access information relating to the Company and its Board Members and their qualifications. The Company also updates its website with all Company news continuously, in addition to including this information in the Annual Report presented to the General Assembly.

Based on the above, disclosure to Stock Markets in Qatar and Abu Dhabi where Ooredoo's stocks are listed, by means of quarterly reports and complete annual financial statements, reflects Ooredoo's commitment to the terms and conditions of relating Stock Markets. Responsibilities of the Board have been outlined in the Company's Articles of Association and the Board's Charter in compliance with the Commercial Companies Law and the Corporate Governance System and Legal Entities listed on the Main Market.

### 3. Board Members:

Ooredoo's Board of Directors has the following Members:

| | | | |
|---|---|---|---|
| 1. | H.E. Sheikh Faisal Bin Thani Al Thani | Chairman | Non-Independent / Non-Executive Member |
| 2. | Dr. Nasser Mohammed Marafih | Deputy Chairman | Non-Independent / Non-Executive Member |
| 3. | Eng. Essa Hilal Al-Kuwari | Member | Non-Independent / Non-Executive Member |
| 4. | Mr. Yousif Mohammed Al-Obaidli | Member | Non-Independent / Non-Executive Member |
| 5. | General Retirement & Social Insurance Authority, represented by H.E Mr. Turki Mohammed Al-Khater | Member | Non-Independent / Non-Executive Member |
| 6. | Mr. Aziz Aluthman Fakhroo | Member, Group Managing Director and CEO | Non-Independent / Executive Member |
| 7. | Mr. Nasser Rashid Al-Humaidi | Member | Independent / Non-Executive Member |
| 8. | Wasit Trading Company represented by Sheikh Sauod Bin Nasser Al Thani | Member | Independent / Non-Executive Member |
| 9. | H.E. Mr. Mohammed Bin Nasser Al-Hajri | Member | Independent / Non-Executive Member |
| 10. | Qatar National Bank (QNB) represented by Mr. Abdulla Mubarak Al-Khalifa | Member | Independent / Non-Executive Member |

Pursuant to Article (34) of the Company's Articles of Association, the Secretary of the Board shall be selected by the Board, which shall determine his duties and remuneration. The duties of the Board's Secretary are contained in the Company's Corporate Governance Manual and Corporate Governance Code for Companies and Legal Entities listed on the Main Market issued by Qatar Financial Markets Authority (QFMA).

### 4. Board Meetings:

Board Meetings are conducted regularly, given that there should be no less than six (6) Board Meetings in the annual financial year, in accordance with Article (30) of the Company's Articles of Association and Article (104) of Commercial Companies Law No. 11 for 2015 and its amendments in Law No. 8 for 2021.

It is worth mentioning in this context that the Board of Directors held eight (8) Meetings in 2023. It is also worth mentioning that the quorum for the Board's Meetings has been fulfilled according to Commercial Company's Law No. 11 for 2015 and its amendments in Law No. 8 for 2021, and the Articles of Association of the Company, and the Corporate Governance Manual and the Legal Entities listed on the Main Market issued by Qatar Financial Markets Authority (QFMA).

In accordance with Ooredoo's Corporate Governance Manual, the Board conducts an annual evaluation of its performance on the individual and collective levels using a questionnaire specifically designed for this purpose, where the Board's collective performance is evaluated, as well as its Members' performance, and that of its Committees to investigate the familiarity of the Chairman and Members of the Board with the duties as set forth in the Corporate Governance Manual and the Articles of Association of the Company, the Commercial Companies Law No. 11 for 2015 and its amendments in Law No. 8 for 2021, and the Corporate Governance Code issued by the Qatar Financial Markets Authority (QFMA), as well as to inform them of the latest developments in the field of governance, and based on some requirements or the results of the evaluation process, development programmes are designed for each individual Board Member. In case of real deficiency in the performance of a Board Member, which was not resolved at the appropriate time, then the Board shall have the right to take the appropriate action in accordance with Law and Corporate Governance. In this regard, each Board Member signs a Declaration that he is fully familiar with the Corporate Governance Manual and the Corporate Governance Code for Companies and Legal Entities listed on the Main Market issued by Qatar Financial Markets Authority (QFMA) and that they are committed to implementing them as a Board Member.

As for the Senior Executive Management, an annual evaluation is undertaken using a Target Score Card at the Company's level, then at the level of the major sectors of the Company.

The Company shall comply with the rules and conditions that govern the disclosure and listing in Markets. It shall also inform the Authority of any dispute that the Company is part of and is affecting its activities and shares, including litigation and arbitration, and shall disclose transactions or deals concluded with any related party.

| Board Member Name | Number of Board Meetings Attended During 2023 |
|---|---|
| H.E. Sheikh Faisal Bin Thani Al Thani | 6 |
| Dr. Nasser Mohammed Marafih | 8 |
| General Retirement & Social Insurance Authority, represented by H.E Mr. Turki Mohammed Al-Khater | 8 |
| Mr. Nasser Rashid Al-Humaidi | 8 |
| Mr. Aziz Aluthman Fakhroo | 8 |
| Wasit Trading Company represented by Sheikh Sauod Bin Nasser Al Thani | 8 |
| Qatar National Bank (QNB) represented by Mr. Abdulla Mubarak Al-Khalifa | 6 |
| Eng. Essa Hilal Al-Kuwari | 8 |
| Mr. Yousif Mohammed Al-Obaidli | 8 |
| H.E. Mr. Mohammed Bin Nasser Al-Hajri | 8 |

### 5. Composition and Remuneration of the Board:

The Board of Directors is composed in accordance with Article (22) of the Company's Articles of Association. The Board of Directors consists of ten (10) Members, nine (9) Non-Executive Members, and one (1) Executive following the appointment of Mr. Aziz Aluthman Fakhroo as Ooredoo Group's Managing Director and CEO, five of whom, including the Chairman, shall be appointed by the Qatar Holding. The other five (5) Board Members are elected by secret ballot of the General Assembly according to the applicability of the terms of the nomination on them and the provisions of Article (35) of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market issued by the Qatar Financial Markets Authority (QFMA). A Board Member's term is three (3) years and may be renewed. To maintain minority's rights, Article (45) of the Articles of Association provides for that Shareholders holding no less than 10% of the capital have the right to call for a General Assembly Meeting.

The Company pursues separation between positions of the Chairman of the Board and any other Executive position in the Company, where H.E. Sheikh Faisal Bin Thani Al Thani is the Chairman, Mr. Aziz Aluthman Fakhroo is the Group Managing Director and CEO and responsible for its management, and Sheikh Mohammed Bin Abdulla Al Thani is the Deputy CEO of Ooredoo Group and Sheikh Ali Bin Jabor Al Thani is the CEO of Ooredoo Qatar.

The value of the Board's remunerations for the period ending 31 December 2023 amounted to QR 18.4 million.

### 6. Conflict of Interests:

The Company adopts a policy that ensures the confidentiality and integrity any Reports of illegal actions relating to Employees and general performance measures, which are clarified in Ooredoo's Code of Business Conduct and Ethics. The Code includes the expected behaviour of Employees, particularly with regard to compliance with Laws and Regulations.

Employees must avoid: Conflicts of Interest, particularly in commercial transactions, business administration and activities; using the Company's assets, records, and information; and relationships with related parties outside the Company. No Employee may accept or request gifts or bribes, loans or bonuses, prizes or commissions. The Company is resolved to combat all forms of conflicts of interest in addition to other matters.

Furthermore, the Company complies with Articles (108), (109), (110), and (111) of the Commercial Companies Law No. 11 for 2015 and its amendments in Law No. 8 for 2021 that states the following:

1. The Chairman or a Board Member or Members of the Senior Executive Management may not participate/engage in any business that competes with the Company's business, or may not be involved, either on his/her own behalf or on others' behalf, in any type of business or activities in which the Company is engaged without obtaining the approval from the General Assembly, otherwise the Company is entitled to ask him/her for compensation or take the ownership of the activities he/she is engaged in.
2. The Chairman, Members of the Board and Members of the Senior Executive Management must disclose to the Board any interest, direct or indirect, that they have in the transactions and deals taking place in favour of the Company, and the disclosure must include the type, value and details of those transactions and deals, the nature and extent of the interest they have, and a statement of the beneficiaries thereof.
3. If the total value of the transactions and deals stipulated in the previous Clause is equal to or more than 10% of the market value of the Company or the value of the Company's net assets according to the latest announced financial statements, whichever is lower, a prior approval must be obtained from the General Assembly. The Auditor's Report is submitted to the General Assembly, provided that it includes the type and details of those transactions and deals, their value, the nature and extent of the interest and the stakeholder, and an indication of whether they are in accordance with market prices and on a purely commercial basis. This approval is renewed annually if those transactions and deals are of a periodic nature.
4. Any of the Stakeholders stipulated in Clause (1) of the above- mentioned paragraph shall refrain from attending the Meetings of the General Assembly or the Meetings of the Board of Directors in which the issue related to it is being discussed or voted on.
5. The Company may not offer a cash loan of any kind to any Member of its Board of Directors or to guarantee any loan held by one of them with others or make an agreement with banks or other credit companies to lend money to any of the Board Members or open a facility or guarantee a loan with other parties beyond the terms and conditions set by the Central Bank of Qatar. Agreements beyond the provisions of this Article will be considered null and void, and the Company retains its rights to request compensation, when necessary, from the offending parties.
6. It is prohibited for the Chairman and the Board Members or the Company's Staff to take advantage of any information delivered to his/her knowledge by virtue of his/her Membership or Position for the benefit of him/herself, his/her spouse, his/ her children or any of his relatives to 4th Degree either directly or indirectly, as a result of dealing in Company securities of the Company. Nor may they have any interest, directly or indirectly, with any entity conducting operations intended to make a change in the securities prices issued by the Company, and this ban stays in effect for three (3) years after the expiry of the person's Membership in the Board of Directors or the expiry of his work in the Company.

### 7. Duties of the Board of Directors

The role of the Board of Directors is to lead the Company in a pioneering way within the framework of effective directives that allow for Risk Assessment and Management. The Board of Directors has the authority and full power to manage the Company and continue business to fulfil the fundamental goal of upholding Shareholders' Rights, in addition to the following tasks:

1. Determine the Terms of Reference, Duties, and Powers of the Chief Executive Officer and assess his performance and remuneration.
2. Evaluate, withdraw and define the powers granted to the Members of the Board of Directors and Board Committees, and define ways of exercising the powers, and formulating a policy for that.
3. Monitor the performance of the Senior Executive Management; review Management Plans in relation to the replacement process and the arrangements for remunerations of Senior Executive Management.
4. Verify the appropriateness of organisational, administrative, and accounting structures for the Company and its Group, with a focus on the Internal Control System.
5. Ensure adequate planning for the succession and replacement of Senior Executive Management.
6. Provide recommendations to appoint, re-appoint or quarantine the Auditor appointed by the Shareholders on the basis of their consent during the Annual General Meeting of the Company, as recommended by the Audit and Risk Management Committee.
7. Direct Members of the Board of Directors and provide them with continuous guidance through planning of the induction and guidance programmes. The Chairman of the Board is responsible for consistently providing induction and guidance programmes to Board Members, to help them perform their duties and ensure they understand ongoing developments on Company issues.
8. Members of the Board of Directors are expected to be seriously committed to the Board and the Company, and also to develop and expand their knowledge of the Company's current operations and its main business, and to be available to contribute to the work of the Board and Committees.
9. Members of the Board of Directors and the Senior Executive Management will be trained according to capacity.
10. Review and approval of Company's major strategic plans and oversee its execution.
11. Oversee Company's special corporate governance system and the extent of its abidance by the System of Corporate Governance and legal Entities listed on the Main Market.
12. Approval of the Guide of Executing the Company's Strategy and Objectives prepared by the higher Executive Management, which should include determination of means and tools of rapid communication with the authority and other regulatory parties, and all other parties concerned with governance including nominating a point of contact.
13. Establishing internal control rules and controls, and of them through a written policy that regulates conflict of interests and resolves any situation conflict for all Board Members and the higher Executive Management and Shareholders. In addition to establishing a complete disclosure system which accomplishes justice and transparency, preventing the conflict of interests and taking advantage of information.
14. Developing precise policies for Board Membership, according to applied Laws.
15. Drafting of a written policy to organise and regulate the relationship between stakeholders and their rights.
16. Creation of policies and procedures for disclosure to shareholders, debitors, and stakeholders.
17. Invitation of all shareholders to attend the General Assembly Meeting according to the Companies' Law, and the Company's Articles of Association.
18. Approval of the nominations related to appointments at the higher Executive Management, and the progression plan for these roles.
19. Creation of awareness programmes as necessary to spread a culture of auto-regulatory and risk management in the Company.
20. Approval of a written and clear policy determining the basics and method of remunerating Board Members and determining the remuneration and incentives of the higher Executive Management and the workers in the Company according to principles of corporate governance and legal entities listed on the Main Market without any discrimination and achievement of approval by the General Assembly.

### 8. Liabilities of the Board

The Board is obliged to perform its duties and responsibilities, and is keen on doing the following:

1. Attend the Meetings of the Board's and its Committees, and not to retire the Board except for a necessity and at the appropriate time.
2. Hold high the interest of the Company, Partners, Shareholders and all Stakeholders, and favour it over their private interest.
3. Provide an opinion on the strategic issues of the Company, its policy in the implementation of its projects, systems of accountability of Employees, their resources, basic appointments and work standards.
4. Monitor the performance of the Company in achieving its goals and objectives, and review reports on its performance, including the annual, semi-annual and quarterly reports.
5. Supervise the development of the procedural rules for governance and work to ideally implement them in accordance with this system.

6. Benefit from their diverse skills and expertise to diversify their competencies and qualifications in managing the Company in an efficient and productive manner, and to work to realise the interest of the Company, Partners, Shareholders and other Stakeholders.
7. Participate effectively in the Meetings of the Company's General Assembly and meet the demands of its Members in a balanced and fair manner.
8. Refrain from giving any statements, data or information without prior written permission from the President or his Authorised Representative. The Council shall nominate the official spokesperson of the Company.
9. Disclose financial and commercial relationships and lawsuits that may negatively affect the performance of any functions assigned to the Board.

### 9. Chairman of the Board's role and duties

The main function of the Chairman of the Board is to lead the Board and ensure that the duties are undertaken as required by law and the relevant legislation, in addition to the following tasks:

1. Represent the Company in court, and in its relationship with others, and to communicate with them, and inform the Board of their views.
2. To chair the Board, selected Committees, and General Assembly Meetings, and run discussions as openly as possible, to encourage Board Members to participate effectively in discussions that serve the interests of the Company.
3. Coordinate with the Chief Executive Officer and the heads of the Committees and the Secretary of the Board of Directors to determine the schedule for Board and Committee meetings, and other important Meetings.
4. Coordinate with the Chief Executive Officer to ensure that information is provided to the Board of Directors, so that the Board can make appropriate decisions and follow-up their execution.
5. Review the timing and quality of delivery of supporting documentation to the Management's suggestions to ensure an effective flow of information to the Board of Directors.
6. Guide and enhance the effectiveness of the Board of Directors and Members and assign tasks to them as required.
7. Review monthly results for the Company's business in coordination with the Chief Executive Officer.
8. Ensure that the Company has good relations with official and non- official departments, and with various media.
9. Issue the Agenda for Board Meetings, taking Members' suggestions into account. Assess the performance of the Board annually, and the performance of its Committees and Members, possibly using a third-party consultancy to conduct the evaluation.
10. Encourage Board Members to collectively and effectively take part in conducting the Board affairs to ensure that the Board is undertaking its responsibilities to achieve the interests of the Company.
11. Find effective communications means with shareholders and convey their opinion to the Board.
12. Allow the opportunity to Non-Executive Board Members to effectively take part in and encourage building constructive relationships between Executive and Non-Executive Board Members.
13. Keep the Members always abreast of execution of the rulings of Corporate Governance and Legal Entities Order issued by the Authority.

The Chairman may delegate some of these powers to another Member of the Board of Directors, or the Chief Executive Officer, or the Secretary of the Board.

### 10. Qualifications and Duties of the Board Secretary

The Board of Directors has appointed Mr. Hilal Mohammed Al Khulaifi as Secretary of the Board of Directors. Mr. Hilal is Group Chief Legal, Regulatory & Governance Officer since March 2023. Prior to that, he was Director of the Legal Affairs Department at the Ministry of Commerce and Industry. During his career, he held several leadership positions, chairing major committees. He also served as Secretary of the Supreme Council for Economic Affairs and Investment.

Al Khulaifi is also an active member of several committees, including the Committee for the Establishment of the Investment and Commerce Court at the Supreme Judicial Council, the Financial Sanctions Committee at the CRA, and the Committee for Granting Permanent Residence Cards at MOI. He represented Qatar in the United Nations Commission on International Trade Law. He is currently a member of the International Legislation Association and is a certified arbitrator at the Qatar International Centre for Conciliation and Arbitration. He holds a bachelor's degree in law from Qatar University and a Masters in Law from the University of Portsmouth, UK.

Mr. Hasan Bin Nabeel Al-Kuwari was appointed Assistant Secretary of the Board of Directors. Mr. Hasan holds a Bachelor's Degree in Law and a Master's Degree in International Economic and Commercial Law from the United Kingdom. Prior to joining Ooredoo Group, he worked in an international law firm.

The Board Secretary assists the Chairman and all Board Members in executing their duties, and he commits to make sure the Board proceedings are carried out appropriately, including:

1. Preparation and revision of Board Meetings' Minutes.
2. Filing of the Board's decisions in a well-maintained record according to Meetings' numbers and the decisions according to its issue date.
3. Preserving the Board's Meetings-related Minutes, Decisions, Memorandums and Reports on paper and in electronic formats.
4. Send Meetings invitations to Board Members with the Meeting Agenda two (2) weeks prior to the Meeting date and receiving Members' requests to add an item or more to the Meeting Agenda mentioning the date of its submission.
5. Full coordination between the Chairman of the Board and its Members and concerned parties and Stakeholders including Shareholders and the Administration and Employees.
6. Provide the Chairman and Members quick access to all Company documents including its data and information.
7. Keep Board Members' Declaration of no combination between Membership of the Board and occupations from which they are prohibited, according to Companies Law and Corporate Governance System issued by the Commission.

### 11. The Company's Irregularities

As a leading Company in its own field, and in the telecommunication sector, Ooredoo Board of Directors and its top Management are keen to implement all Rules and Regulations outlined in Corporate Governance and Legal Entities Listed on the Main Market order issued by Qatar Financial Markets Authority (QFMA) and Commercial Companies Law No. (11) for 2015 and its amendments in Law No. 8 for 2021. No violations were committed in 2023.

The Council Chamber of the Court of Cassation of Kuwait issued a final ruling following the hearing of the appeal against the judgment issued in favour of the National Mobile Telecommunications Company - Ooredoo Kuwait - (Respondent) in the case No. 859/2020, related to tariffs on number ranges. In the ruling, the appeal was rejected, and the court ordered the Appellants to pay the Respondent the total amount of KD 43,817,594 (approx. QR 510 million).

Apart from that, there is no lawsuit against, or brought to court by the Company, that is still pending with no ruling up to the date of preparing this Governance Report.

### 12. Board Activities in 2023

In 2023, Ooredoo's Board of Directors achieved a number of key governance goals and supervised the implementation of a number of key successful initiatives, including:

Approving the Group's Performance Report for 2022.

Approving the Group's financial consolidated statements for 2022 and providing a recommendation to the General Assembly in this regard.

Approval of Ooredoo Group's Management Report on the review of the Internal Control over Financial Reporting (ICOFR) for the financial year 2022.

Approval of Ooredoo Qatar's Management Report on the review of the Internal Control over Financial Reporting (ICOFR) for the financial year 2022.

Approving the re-appointment of PricewaterhouseCoopers (PwC) as the Auditors of the Ooredoo Q.P.S.C, Ooredoo Group L.L.C and Special Purpose Entities for 2023; revising the Regulatory Accounting System (RAS) Order for 2022; reviewing the Internal Control over Financial Reporting (ICOFR); validating license fees and industrial fees (required by the Communications Regulatory Authority of Qatar); the Qatar Stock Exchange Reports in XBRL language; providing an Arabic translation resource (on request) for 2023; and providing a recommendation to the General Assembly in this regard.

- Approving the Governance Report for 2022 and providing a recommendation to the General Assembly in this regard.
- Approving distributing a Cash Dividend of 43% of the nominal Share value (QR 0.43 per Share), and providing a recommendation to the General Assembly in this regard.
- Approving the remunerations of the Chairman and Members of the Board for 2022, and providing a recommendation to the General Assembly in this regard.
- Approving the revised and consolidated Business Plan of the Group for 2023, 2024 and 2025, and the Annual Budget for 2024.
- Approving the Business Plan of the Group for the years 2024, 2025 and 2026, as well as the Budget and Financing Plan for 2024.
- Approving the Financial Strategy of the Group.
- Approving a number of technical decisions related to investment opportunities.
- Approving the proposed amendments to the Articles of Association of Ooredoo Q.P.S.C. and submitting a recommendation to the Extra Ordinary General Meeting Assembly for approval.
- Approving the annual review of the Charter of the Audit and Risk Management Committee and the Group Internal Audit Management Charter.
- Approving Ooredoo Group's Procurement Policy.
- Approving the proposed changes to Ooredoo Group's Human Resources Policy.
- Approving the renewal of Ooredoo Group's contract with beIN for a period of two years.
- Approving Ooredoo Group's Human Rights Policy.
- Approving Ooredoo Group's updated operating model for 2023.
- Approving the proposed amendments to Ooredoo Qatar's Financial Authorities and Decision Making (DRM) Matrix.

### 13. Role of Board Committees

In order to make the decision-making process more efficient and to support the vision relating to corporate governance, the Board has three main Committees: Executive Committee, Audit and Risk Management Committee and Remuneration and Nomination Committee. Each Committee is composed of not less than three (3) Board Members (to be appointed by the Board), taking into account the experience and capabilities of each Board Member participating in the Committee. The Board may substitute the Committee Members at any time.

Each of the Board Committees works in accordance with a written Charter approved by the Board of Directors that clarifies its responsibilities and authorities. The Charter of each Committee has verified that it is in line with the Corporate Governance Code and Articles of Association of the Company and the Commercial Companies Law No. 11 for 2015 and its amendments in Law No. 8 for 2021, and the Corporate Governance Code of the Qatar Financial Markets Authority (QFMA).

| Committee | Name of Board Member | Position |
|---|---|---|
| Executive Committee | H.E. Mr. Turki Mohammed Al-Khater | Chairman |
| | Mr. Abdulla Mubarak Al-Khalifa | Member |
| | Eng. Essa Hilal Al-Kuwari | Member |
| | Mr. Yousif Mohammed Al-Obaidli | Member |
| Audit and Risks Committee | Mr. Nasser Rashid Al-Humaidi | Chairman |
| | Sheikh Sauod Bin Nasser Al Thani | Member |
| | Mr. Mohammed Bin Nasser Al-Hajri | Member |
| Remuneration and Nomination Committee | H.E. Mr. Turki Mohammed Al-Khater | Chairman |
| | Eng. Essa Hilal Al-Kuwari | Member |
| | Sheikh Sauod Bin Nasser Al Thani | Member |

**A. Executive Committee**

The Executive Committee is comprised of four (4) Members and aims to ensure that decisions are made at the highest levels, to achieve the Company's objectives in a flexible and timely manner in accordance with the authority delegated to the Committee by the Board of Directors.

The Committee is also responsible for studying issues that need detailed and in-depth review before presenting to the Board for final decision. It also oversees Ooredoo's strategy and methods deployed for adopting financial and strategic investments. In 2023 the Committee completed a number of major Projects:

- Reviewed investment opportunities and made recommendations to the Board of Directors.
- Reviewed subsidiaries' work plans and their budgets and provided recommendations to the Board in this regard.
- Reviewed recommendations for awarding contracts, and took appropriate decisions.
- Reviewed the status of Ooredoo Group companies to determine suitability and its position in the markets in which it operates, and made recommendations to the Board of Directors.
- Approved the Company's sponsorship agreements with third parties.
- Approved updating the financial limits of other parties (banks and financial institutions).
- Approved the Group work plan for 2024, 2025, and 2026 as well as approved the 2024 budget, and provided a recommendation to the Board in this regard.
- Approved the financing strategy and plan for 2024 and provided a recommendation to the Board in this regard.
- Approved Ooredoo Qatar work plan for 2024, 2025, and 2026, as well as approved the 2024 budget and provided a recommendation to the Board in this regard.

The Committee held four (4) Meetings in 2023.

According to the annual evaluation, the Board of Directors is satisfied with the Committee's performance while executing its responsibilities and authorities, as well as the recommendations it provided during the year ending 31 December 2023.

| Board Member Name | Number of the Executive Committee's Meetings the Member has attended during 2021 |
|---|---|
| General Retirement & Social Insurance Authority, represented by H.E Mr. Turki Mohammed Al-Khater (Chairman of the Executive Committee) | 4 |
| Mr. Abdulla Mubarak Al-Khalifa (Member) | 3 |
| Eng. Essa Hilal Al-Kuwari (Member) | 4 |
| Mr. Yousif Mohammed Al-Obaidli (Member) | 4 |

**B. Audit and Risk Management Committee**

The Committee comprises three (3) Independent Members, and it assists Ooredoo's Board in overseeing the integrity of the Company's financial statements. It also provides consultancy to the Board on the efficiency and adequacy of internal control systems and arrangements for risk management. The Committee is also responsible for ensuring that internal and external audit functions are independent and objective.

The Committee reviews the annual internal audit and Auditors' Reports and prepares reports on issues arising from auditing the Company and its Subsidiaries, including management reaction; the level of cooperation and information provided during the audit process; and the usefulness of the audit report versus cost.

The Committee also sets up communication channels between Executive Management and Internal and External Auditors. In addition, the Committee reviews Risk Management Reports and advises the Board on all matters that need attention and seek a decision. The Committee also puts great emphasis on investigating any violations in the Group's Companies.

In 2023, the Committee completed a number of major works including:

- Reviewed the annual and quarterly Internal Audit Reports regularly.
- Reviewed annual and quarterly Risk Management Reports regularly.
- Reviewed the results of the Internal Audit Quality Assurance Review for Ooredoo and Group Companies.
- Approved the Internal Audit Department Plan for Group based on risks for 2024.
- Approved the Strategic Plan to manage Group Internal Audit for 2024 – 2026.
- Approved quarterly Financial Statements, and reviewed the annual Financial Statements and submitted a recommendation to the Board.
- Reviewed the following Ooredoo Q.P.S.C. Policies and referred them to the Board:
  a. Procurement Policy.
  b. Human Resources Policy.
  c. Ooredoo Qatar's Powers and Financial Decision-Making (DRM) Matrix Policy.
- Reviewed the following Ooredoo Group Policies and Charters, and submitted them to the Board of Directors:
  a. Group Audit and Risk Management Committee Charter.
  b. Group Internal Audit Management Charter.
  c. Ooredoo Group's Powers and Financial Decision Making (DRM) Matrix.
  d. Ooredoo Group's Human Rights Policy.
  e. Ooredoo Group's Human Resources Policy.
- Approved the Governance Report for 2022.
- Approved Ooredoo Group's Management Report regarding the review of the Internal Control Systems Over the Financial Reports for the financial year ended 31 December 2022.
- Approved Ooredoo Qatar's Management Report regarding the review of the Internal Control Systems Over the Financial Reports for the financial year ended 31 December 2022.
- Approved the re-appointment of PricewaterhouseCoopers (PwC) as the Company's Auditor for Ooredoo Q.P.S.C, Ooredoo Group L.L.C and Special Purpose Vehicle Companies, to review the Regulatory Accounting System (RAS) for 2022 and the systems for Internal Control Over Financial Reporting (ICOFR); confirm license and industrial fees (required by the CRA in Qatar); Qatar Stock Exchange (XBRL) Reports; and provide an Arabic translation resource (on request) for 2023.
- Approved the results of the performance index of the Group's Internal Audit Department and the Corporate Governance Department for 2022.
- Approved the performance index of the Group's Internal Audit Department and the performance index of the Corporate Governance Department for 2023.
- Approved the Budget of Corporate Governance for 2023.
- Approved the Budget of Group Internal Audit Department for 2023.
- Reviewed Group Internal Audit Department Report on Internal Control according to the requirements of the Company's Governance Order and Entities Listed on the Market and refer it to the Board.
- Reviewed the periodic Management Report on Anti-Money Laundering and Compliance.
- Reviewed the Internal and External implementation of recommendations of the Quality Assurance and Improvement Programme (QAIP).
- Reviewed the Auditor's Plan for the Company's Annual Audit Review for 2023.

The Committee held twelve (12) Meetings during 2023.

According to the annual evaluation, the Board of Directors is satisfied with the Committee's performance while executing its responsibilities and authorities, as well as the recommendations it provided during the year ending 31 December 2023.

| Member's Name | Number of the Audit and Risk Management Committee's Meetings the Member has attended during 2023 |
|---|---|
| Mr. Nasser Rashid Al-Humaidi (Chairman of Audit & Risk Management Committee) | 12 |
| Sheikh Sauod Bin Nasser Al Thani (Mem-ber) | 12 |
| H.E. Mr. Mohammed Nasser Al-Hajri (Member) | 12 |

**C. Remuneration and Nomination Committee**

The Committee comprises three (3) Members. It assists the Board in executing its responsibilities with regards to nominating and appointing Ooredoo Board Members, and Board Members of its Subsidiaries, and determining the remuneration of the Chairman and Members of the Board, and the remuneration of Members of the Senior Executive Management and Employees. The Committee also takes part in assessing the performance of the Board.

In 2023, the Committee completed a number of major works:

- Approved performance index card for Ooredoo Qatar for 2022.
- Approved performance index card for Ooredoo Qatar CxOs for 2022.
- Approved performance index card for Ooredoo Group for 2022.
- Approved performance index card for Ooredoo Group CxOs for 2022.
- Approved performance and goal index card for Ooredoo Qatar for 2023.
- Approved performance and goal index card for Ooredoo Qatar CxOs for 2023.
- Approved proposed changes to Ooredoo Qatar's HR Policy.
- Approved the proposed changes to Ooredoo Group's HR Policy.

The Committee held seven (7) Meetings during 2023.

According to the annual evaluation, the Board of Directors is satisfied with the Committee's performance while executing its responsibilities and authorities, as well as the recommendations it provided during the year ending 31 December 2023.

| Member's Name | Number of the Remuneration and Nomination Committee's Meetings the Member has attended during 2023 |
|---|---|
| General Retirement & Social Insurance Authority, represented by H.E Mr. Turki Mohammed Al-Khater (Chairman of the Executive Committee) | 7 |
| Eng. Essa Hilal Al-Kuwari (Member) | 7 |
| Sheikh Sauod Bin Nasser Al Thani (Member) | 7 |

## 14. The Executive Management

The role of Executive Management is to manage the Company's business operations, which requires planning different developments' processes in adherence to the Company's principles and practices. In addition, Executive Management is responsible for monitoring the development of financial performance and business plans. The Executive Management team reports to the Chief Executive Officer and Chief Operating Officer, with their performance monitored by the Board of Directors.

The following table gives the Names and Biographies of the Executive Management until the end of 2023:

| Executive Manager Name | Summary Curriculum Vitae |
|---|---|
| **Mr. Aziz Aluthman Fakhroo**<br>Managing Director and CEO, Ooredoo Group | Mr. Aziz Aluthman Fakhroo was appointed as Managing Director and CEO of Ooredoo Group since November 2020, he has been a Board member of Ooredoo Group since 2011. From 2014 to 2020, he served as Deputy Undersecretary for Budget, Treasury and Financial affairs at the Ministry of Finance. Previously (2007- 2014) he was the Co-head of Mergers and Acquisitions at Qatar Investment Authority (QIA) , where he led some of the sovereign wealth fund's most high-profile deals.<br>In March 2021 he was appointed as Board member of KATARA Hospitality and member of the Board of Trustees of Qatar Museums and in December 2021 he was appointed on the Board of Commissioners of Indosat. He served as Board Member at Accor SA from 2015 till 2022. He also served as member of the Board of United Arab Shipping Company, Canary Wharf Group, Chelsfield LLP and CITIC Capital.<br>Mr. Aziz Aluthman Fakhroo holds a Bachelor of Business Administration from ESLSCA University. |
| **Sheikh Mohammed Bin Abdulla Al Thani**<br>Deputy Group CEO | Sheikh Mohammed Bin Abdulla Al Thani is Ooredoo's Deputy Group CEO since March 2020.<br>He is currently the Chairman of the Board of Directors of Ooredoo Kuwait, Vice Chairman of the Board at Asiacell Iraq and Vice Chairman of the Board at Ooredoo Oman.<br>He has extensive experience in communications, digital transformation, finance and accounting, and has held various management positions within Ooredoo since he joined the company in 2009.<br>Previously, he was CEO of Ooredoo Qatar. Prior to that, he was CEO of Ooredoo Kuwait and President Commissioner of Indosat Ooredoo, leading all three companies to reach key milestones and placing them as market leaders.<br>He holds a Master's degree in Finance and Accounting from the University of Cardiff, UK and a Bachelor's degree in Accounting from Qatar University. |
| **Mr. Ahmad Abdulaziz Al Neama**<br>Group Regional CEO | Mr. Ahmad Abdulaziz Al Neama is Group Regional Chief Executive Officer since January 2022.<br>He is also Chairman of the Board of Directors of Ooredoo Algeria, Ooredoo Tunisia, Ooredoo Myanmar, and Vice-Chairman of the board of Ooredoo Palestine, as well as Indosat Ooredoo Hutchison's President Commissioner.<br>He currently oversees the strategic evolution of Ooredoo in six countries, including Algeria, Tunisia, Palestine, Maldives, Myanmar and Indonesia.<br>Prior to his current position, Mr. Ahmad was CEO of Indosat Ooredoo, and was behind the biggest tower sale and leaseback transaction in Asia and played a key role in the merger of Ooredoo and CK Hutchison.<br>He holds a BSc in Electrical Engineering from the University of Colorado. Denver. Mr. Ahmad has also received further qualifications from the HEC Leadership Academy, Qatar Leadership Center, Arab Leadership Academy and Cranfield University & IMD and much more. |

| Executive Manager Name | Summary Curriculum Vitae |
|---|---|
| **Mr. Abdulla Ahmad Al-Zaman**<br>Chief Financial Officer, Ooredoo Group | Mr. Abdulla Ahmed Al-Zaman was appointed as Ooredoo Group Chief Finance Officer in March 2021.<br>Previously, he was CFO at Ooredoo Qatar since January 2018, after joining the Group in 2013 and holding multiple senior roles including Directorship positions on key Ooredoo international operating companies.<br>He is responsible for facilitating organisational accountability and transparency, maintaining a long-term sustainable value for shareholders and other stakeholders.<br>Mr. Al-Zaman has over 18 years of highly accomplished broad-based leadership experience, in Telecommunications, Transportation and Oil & Gas industries.<br>He holds a bachelor's degree in Finance & Business Administration from California, USA, and an EMBA from the University of Hull, UK. |
| **Dr. Hamad Yahya Al Nuaimi**<br>Group Chief Board Affairs Officer, Ooredoo Group | Dr. Hamad Yahya Al Nuaimi was appointed Group Chief Board Affairs Officer in January 2023.<br>In his current role, he provides extensive support to the offices of the Chairman, Group CEO and Deputy Group CEO and coordinates communication between the Board of Directors and Ooredoo's senior management.<br>Dr. Hamad is also responsible for managing Ooredoo's senior stakeholder relations with key national and international figures and institutions, including heads of states, ministers, government agencies and international organisations.<br>Prior, he was Chief Corporate Affairs Officer in Group and at Ooredoo Kuwait.<br>He has an extensive and accomplished career of over 27 years in the finance, communications, media and telecoms industries and has held senior roles at QNB, which has seen its brand value jump to USD 1.3 billion, and Al Jazeera, which became among the world's top 5 brands, during his tenure.<br>Dr. Hamad holds a PhD in Marketing from the UK in 2005, Marketing Research and Development. |
| **Sheikh Nasser Bin Hamad Bin Nasser Al-Thani**<br>Chief Corporate Affairs Officer, Ooredoo Group | Sheikh Nasser Bin Hamad Bin Nasser Al-Thani was appointed Chief Corporate Affairs Officer in January 2023.<br>He has 20 years of experience, five of which are in the public sector and 15 are within Ooredoo.<br>Before taking up his current role as Chief Corporate Affairs Officer, Sheikh Nasser was Chief Commercial Officer at Ooredoo Qatar, where he oversaw the B2B, B2C and the Marketing units.<br>Previously, he was Chief Business Officer of Ooredoo Qatar, responsible for end-to-end profit and loss accountability for Ooredoo Qatar's B2B portfolio including Connectivity, ICT and Mega Projects as well as the Qatar Data Centre.<br>Sheikh Nasser holds a Bachelor's degree in Business and Economics from Qatar University and an MBA from the University of Wales, as well as a Telecoms Mini MBA from Telecoms Academy, UK.<br>In addition, he has completed several executive courses in leadership and innovation at HEC Paris, London School of Economics (LSE), IMD Switzerland and Harvard Business School (HBS). |

| Executive Manager Name | Summary Curriculum Vitae |
|---|---|
| **Mr. Hilal Mohammed Al Khulaifi**<br>Chief Legal, Regulatory & Governance Officer, Ooredoo Group | Mr. Hilal Mohammed Al Khulaifi is Group Chief Legal, Regulatory & Governance Officer since March 2023. He is also Secretary of the Board of Directors of Ooredoo Group.<br>Prior to that, he was Director of the Legal Affairs Department at the Ministry of Commerce and Industry. During his career, he held several leadership positions, chairing major committees. He also served as Secretary of the Supreme Council for Economic Affairs and Investment.<br>Al Khulaifi is an active member in a number of committees, including the Committee for the Establishment of the Investment and Commerce Court at the Supreme Judicial Council, the Financial Sanctions Committee at the CRA, and the Committee for Granting Permanent Residence Cards at MOI. He represented Qatar in the United Nations Commission on International Trade Law.<br>He is currently a member of the International Legislation Association and is a certified arbitrator at the Qatar International Centre for Conciliation and Arbitration.<br>He holds a bachelor's degree in law from Qatar University and a Master's in Law from the University of Portsmouth, UK. |
| **Ms. Fatima Sultan Al-Kuwari**<br>Chief Human Resources Officer, Ooredoo Group | Ms. Fatima Sultan Al Kuwari is Ooredoo Group's Chief Human Resources Officer since April 2021 and the Chairperson of Ooredoo Maldives since December 2021.<br>She has over 18 years of professional experience and is the first woman in the history of Ooredoo Kuwait to be appointed as a Board member of the company.<br>Ms. Fatima joined Ooredoo in 2006 and served in various senior roles, latest of which was Ooredoo Qatar's Chief Consumer Officer. Prior to that, she was Ooredoo's Acting Group Chief Commercial Officer (CCO).<br>She holds a B.S. in Computer Science from University of Qatar, an Executive Masters in Leadership from Georgetown University, USA and an MBA from the University of Liverpool in the UK. |
| **Mr. Mohammed Abdulkhaliq Al-Emadi**<br>Chief Audit Executive, Ooredoo Group | Mr. Mohammed Abdulkhaliq Al-Emadi was appointed as Group Chief Audit Executive (GCAE) in November 2011.<br>Since his appointment, he has successfully transformed the Internal Audit Function into a Group Internal Audit.<br>He has 21 years of professional experience in the audit field, 13 of which are in Ooredoo's Internal Audit.<br>He is responsible for providing assurance and consulting services to Ooredoo Qatar, Ooredoo Group and Starlink, as well as supporting Internal Audit functions in the Operating Companies.<br>He holds a B.S. in Accounting from Qatar University and a Master's degree in Accounting and Finance from Southampton University, UK. |
| **Sheikh Ali Bin Jabor Al-Thani**<br>Chief Executive Officer, Ooredoo Qatar | Sheikh Ali Bin Jabor Al-Thani is Ooredoo Qatar's CEO since January 2023.<br>Previously, he was Group Chief Legal, Regulatory & Governance Officer, overseeing Ooredoo's global legal activities, policies, and regulatory affairs and advising the Board and Executive Management on all aspects of governance, legal compliance and regulatory frameworks across the group.<br>Prior to that, Sheikh Ali was the Group's Chief Corporate Governance Officer from January 2018 until March 2020.<br>Sheikh Ali joined Ooredoo Group in 2013 and served in a number of roles, including Chief Legal and Regulatory Officer of Ooredoo Qatar.<br>He holds a Bachelor's degree in Law. |

| Executive Manager Name | Summary Curriculum Vitae |
|---|---|
| **Ms. Maryam Hassan Al Hajri**<br>Chief Human Resources Officer, Ooredoo Qatar | Mariam Hassan Al Hajri is Chief Human Resources & Administration Officer, overseeing both HR functions and Ooredoo's facilities and services.<br>Previously, she was Director Talent Acquisition at Ooredoo Group, where she oversaw talent sourcing. Prior to that, she oversaw Ooredoo Qatar's Talent Management division for more than 14 years.<br>Mariam has over 20 years of expertise across all domains of human resources management, including employee experience, organisation development, and talent management.<br>Mariam holds a bachelor's degree in mass communication from Qatar University and has attended numerous leadership & strategic management programmes, including HEC Paris, Harvard Business School, and others. |
| **Mr. Eisa Mohammed Al-Mohannadi**<br>Chief Financial Officer, Ooredoo Qatar | Mr. Eisa Mohammed Al-Mohannadi is Ooredoo Qatar's Chief Financial Officer (CFO) since March 2021.<br>Prior to joining Ooredoo in 2012, Mr. Al-Mohannadi held various positions in banking, risk operations, revenue assurance and general administration.<br>He is a member of the Boards of Directors of Ooredoo Palestine, Ooredoo Oman and Starlink. He is also a member of the Board of QLM Life and Medical Insurance Company.<br>He holds a Bachelor's degree in Business Administration and Finance from Marymount University, USA and a MBA in Business Administration and Digital Transformation from HEC Paris. |
| **Mr. Thani Ali Al-Malki**<br>Chief Business Officer, Ooredoo Qatar | Mr. Thani Ali Al-Malki is Ooredoo Qatar's Chief Business Officer since January 2023.<br>Prior to that, he was Executive Director Business at Ooredoo Qatar.<br>Thani's extensive career includes a stint as Head of Active Network at Ooredoo, and tenures at Es'HailSat and Barwa Media Company.<br>He holds a Bachelor of Science degree in Electronics and Communication Engineering from the University of Leeds, United Kingdom. |
| **Mr. Mustafa Peracha**<br>Chief Consumer Officer, Ooredoo Qatar | Mustafa is Ooredoo Qatar's Chief Consumer Officer since January 2023. His commercial role spans mobile, fixed broadband and digital go to market.<br>Previously, he has led Strategy, B2B Partnerships and Operations within Ooredoo Qatar.<br>He has over 30 years of experience within the telecom and technology industries in the US, Middle East and South Asia. He holds an MBA from the University of Chicago and a Bachelor degree in Electrical Engineering from the University of Michigan. |



| Executive Manager Name | Summary Curriculum Vitae |
|---|---|
| **Mr. Günther Ottendorfer**<br>Chief Technology & Infrastructure Officer, Ooredoo Qatar | Mr. Günther Ottendorfer was appointed as Chief Technology and Infrastructure Officer of Ooredoo Qatar in January 2019.<br>His 27 years of experience include time served as CTO and Board member at top telecommunications companies such as Sprint, Telekom Austria, T-Mobile International and Germany and Singtel Optus in Australia.<br>Before joining Ooredoo he was Chief Operations Officer Technology at Sprint Corporation USA. Mr. Ottendorfer holds a BS in Computer Science (with distinction) from the Technische Universitat in Vienna. |

- Total value of the remunerations to the Executive Management for the year ending on 31 December 2023 was equivalent to QR 39.2 million.
- The Board of Directors' evaluation of the performance of the Executive Management: Based on the annual evaluation, the Board of Directors is satisfied with the performance of the Executive Management while executing its responsibilities, authorities and recommendations which have been provided during the year ending 31 December 2023.

### 15. Corporate Governance Department

The Corporate Governance Department was established in 2008 and is responsible for assisting the management and Board in ensuring the efficiency and implementation of Corporate Governance Policies and Practices in Ooredoo and its Group.

In 2023, the Corporate Governance Department completed a number of major works:

- Continued the implementation of Corporate Governance in all of Ooredoo Group Companies.
- Reviewed the list of Ooredoo Representatives on the Boards of the Group's Companies.
- Adopted an Employee Disclosure procedure for Non-Ooredoo interests.
- Monitored the publication of the Corporate Governance Code in Group Companies.
- Assisted the Board of Directors in the annual Assessment and Evaluation of adherence to the Code of Conduct.
- Management of Special Purpose Vehicle Companies (SPVs).
- Worked on the Company's Policies and the roster of decision making.
- Compliance with the order of Corporate Governance and Listed Legal Entities on the Main Market.

### 16. Internal Audit Objectives and Activities

Providing independent and objective consultancy services drafted in a way that contributes to adding more value and improving Ooredoo's processes. The activity performed by the internal audit helps to achieve the Company's objectives through a structured and systematic approach to assess and improve the effectiveness of risk management, monitoring and governance. Also, the Internal Audit Department complies with the International Standards for the Professional Practice of Internal Auditing to provide practical instructions for the management of internal audit, planning, execution, and reporting activities, which are designed to add more value and improve Ooredoo processes/operations.

These tasks are performed under the supervision of the Audit and Risk Committee. There are clear instructions from the Board, Audit Committee, and Executive Management to all units to work in accordance with External and Internal Audit Systems, and to respond to any issue or topic raised by Auditors.

In 2023, the Internal Audit Department completed a number of major works:

- Prepared an internal risk-based audit plan.
- Reviewed and evaluated the operations, risk management and internal control framework through implementing the internal audit plan.
- Reviewed quarterly and annual Enterprise Risk Reports of Ooredoo Qatar and the Group and assessed the effectiveness of plans to reduce these risks.
- Complied with the Internal Audit Manual based on the International Standards for the Professional Practice of Internal Auditing to provide practical guidance to manage internal audit activity, planning, execution and reporting.
- Reviewed the quarterly Internal Audit Department reports in Group Companies.
- Reviewed the annual Risk Internal Audit plans for Group Companies; providing advice and consultation.
- Continued the execution of the Internal Audit Department programme to improve and control quality for internal audit departments in the Group and its Companies.
- Coordinated between External Auditors, Audit Bureau Qatar and Management.
- Supported Operating Companies' Internal Audit functions.
- Reviewed recommended policies to provide opinion on the efficiency of internal audit procedures.
- Planning and execution of a review for the effectiveness of Internal Control measures Over Financial Reports (Internal Control Over Financial Report) for 2023.
- To ensure transparency and credibility, any matters that come to the attention of the internal or external auditor or the accounting team are investigated separately based on the nature of these matters and in accordance with the established procedures.
- Submit quarterly reports to the Audit and Risk Management Committee on the extent of the Company's compliance with the requirements of Article (22) of the Corporate Governance Code for Companies and Legal Entities Listed on the Market. The report of the Group's Internal Audit Department includes:

1. Control and supervision procedures for financial affairs, investments and risk management.
2. Review of the evolution of risk factors in the Company and the suitability and effectiveness of the Systems deployed in the face of radical or unexpected changes in the Market.

3. A comprehensive evaluation of the Company's performance regarding compliance with the application of the Internal Control System, and the provisions of this System.
4. The extent of the Company's commitment to the rules and conditions governing disclosure and listing in the Market.
5. The extent of the Company's commitment to Internal Control Systems when identifying and managing risks.
6. The risks to which the Company was exposed, their types, causes and what was done about them.
7. Proposals for correcting violations, removing and causes of risks.

**17. Supervising and Controlling the Group**

Monitoring and supervision at Group level has separate lines for operating strategically and in financial control in a full review in each of the Affiliated Companies. This is done according to a regular cycle of visits and Meetings of the Executive Management of the Group with the Executive Management of the Affiliated Companies, supported by a specific schedule for reports on internal performance. This detailed inspection of the performance of each Operating Company is considered a primary source of information, provided to shareholders through quarterly or annual reports. In addition, the Group reviews and comments on the decisions and actions of Boards and Audit Committees in each Subsidiary. Supervision and control procedures vary between each of the Subsidiaries in a way that reflects delegation of powers to the Board and the Executive Management for each Company, however, each Company is obliged to issue its reports on the Group level.

The process of unifying the Audit Committees' Charters on Group level will ensure that Audit Committees are overseeing the system of internal control.

**18. Risk Management and Internal Control**

Ooredoo has established a system for monitoring, managing and controlling internal and external risks, to determine risks and put plans to rectify them in order to protect the Company's investments and operations inside and outside Qatar. This System is designed to:

- Identify, assess, monitor and manage risks in the Company; and
- Inform the Ooredoo Board of material changes to Ooredoo's risk profile.

The Board is responsible for establishing the risk management system and for reviewing the effectiveness of its implementation in Ooredoo and its Group. Management is responsible for systematically identifying, assessing, monitoring and managing material risks throughout the organisation. This System includes the Company's internal compliance and control systems. In addition, the Company has tight controls and well-established systems that control its transactions and relationships with related parties. Ooredoo Group implements a risk management policy at Group level, where it states that the Group's Board of Directors, supported by Audit and Risk Management Committee and Internal Audit Department, will review every quarter all risks that Ooredoo and its Subsidiaries might face. Identifying risks that any of the Operating Companies might face is the responsibility of its Executive Management and Employees, while the Group's Risk Management examines the risk ratings determined, and the action plans to address these risks. The Internal Audit Department will undergo an independent review of Risk Management Department reports on quarterly basis, and present its opinion regarding the integrity of these reports to the Audit and Risk Management Committee. The concerned Department gathers all the potential risks and planned measures to mitigate these risks, and presents them to the Audit and Risk Management Committee.

The Department then analyses the effectiveness of Ooredoo's risk management and compliance with internal control measures, as well as the effectiveness of their implementation.

Measures for identifying and managing risks vary between Affiliated Companies. However, these measures are being standardised and Ooredoo also implements a system to compare external Markets with the procedures in place to manage risks, so that it is using the best practices.

High-level financial measurements are collected at Group level according to the recurring timetables, which might be monthly, quarterly, or yearly, depending on the details of these measurements. These measurements provide an indication as to the risks faced by each OpCos, with special attention to issues of cash and funding needs as well as the degree of endurance to be able to deal with the unexpected.

The Board also handles the responsibility of spreading the internal audit culture and oversees all concerned with the internal audit framework through regular reports submitted to the Board through internal audit (Risks and Internal Audit). The upper Management bears the responsibility of coordinating and facilitating the execution of internal audit framework, and dealing with concerned issues. The upper Management guarantees that all controls are working efficiently in all times, and will coordinate with different Departments to rectify any points of weakness in the control system that internal audit jobs have reported at the proper time.

The Internal Audit Department will continuously review how adequate internal audit framework is through the execution of the annual internal audit plan which is based on risks. In case the Internal Audit Department determined weakness points in the internal audit order, the respective Department shall devise a work plan to mitigate and rectify the shortage in a specific time frame. The priority of rectifying weakness points is defined on basis of the potential strength and impact of weak points on the Company. The Internal Audit Department prepares half yearly reports on the progress made in monitoring to the Audit and Risk Management Committee and the upper Management.

The Management defined in 2023 the procedures of control on financial data and confirming the integrity of the design and implementation of these procedures. The Internal Audit Department made a comprehensive review for these procedures to confirm how fit it is to implement, and the administration was notified of the results of the review and the required improvements. As of 31 December 2023, the Company was not aware of any failures or points of weakness in the internal review system, and no emergencies with negative impact on the Company's financial status took place.

**19. Company's Adherence to Internal and External Audit Systems**

The Company has appointed an External Auditor and is working on adherence to Internal and External Audit Systems. There are decisions and clear instructions from the Board of Directors, Audit Committee and Senior Executive Management that emphasise the necessity for all sectors and Departments of the Company to adhere to Internal and External Audit, and deal with all cases identified by the auditors.

With regard to technical and accounting reports, some observations are contained in the reports of the Internal Auditor, External Auditor and the Audit Bureau. These are being dealt with as appropriate.

Also, the Company has a Policy to ensure staff protection and confidentiality in the event of informing them of any suspicious transactions. This Policy has been included as part of the Code of Ethics and Business Conduct.

We would also like to point out that, based on the external evaluation of the Quality Assurance and Improvement Programme (QAIP) for the Group's Internal Audit and Department and the annual self-evaluation, the activity of the Group's Internal Audit Department is in line with the International Standards for the Professional Practice of Internal Auditing and the Charter of Professional Conduct of the International Institute of Internal Auditors.

**20. Availability of Information**

The Company guarantees for all Shareholders the right to review all relevant information and disclosures through its website and annual reports that are made available to all Shareholders. Shareholders can access all information relating to Board Members and their qualifications, including the number of shares they own in the Company, their Presidencies or Membership on the Boards of Directors of other Companies, as well as information on Executive Management of the Company. All Stakeholders are entitled to access to all relevant information.

In the event of newspapers or social media platforms circulate rumours about the Company, the Company has a Policy for Disclosures, which also includes a Policy for dealing with rumours if any.

In Articles (46), (49), and (53) of the Company's Articles of Association, the rights of minority Shareholders have been implicitly provided for:

The Board of Directors may invite the Assembly to convene whenever the need arises, and shall call upon it whenever requested by the controller or a number of Shareholders representing not less than 10% of its capital.

- The General Assembly shall convene at an Extra-Ordinary Meeting upon the invitation of the Board, or upon a written request addressed to the Board by a number of Shareholders representing not less than one (1) quarter of the Company Shares.
- Decisions of the General Assembly issued in accordance with the Company's Articles of Association are binding for all Shareholders, including those who are absent from them, those who disagree with the opinion, or those who are disqualified or deficient.

**21. Dividend Policy**

Profits are distributed upon recommendation by the Board of Directors and a decision of the General Assembly of the Company in compliance with Article (62) of the Articles of Association of the Company, and the Company's policy for distributing dividends, and in accordance with Article (36) of the Corporate Governance Code issued by the Qatar Financial Markets Authority (QFMA).

**22. Shareholder Records**

Subject to the provisions of Article (10) of the Company's Articles of Association, Article (159) of the Commercial Companies Law No. 11 for 2015 and its amendments in Law No. 8 for 2021, and Article (30) of the Corporate Governance Code issued by the Qatar Financial Markets Authority (QFMA) and at the direction of Qatar Stock Exchange (QSE), the Company keeps true, accurate, and up-to-date records of the Company's Shareholders via the central system for Shareholders, run by the Stock Exchange.

Any Shareholder or any related parties can look at the Shareholders' Register and obtain all relevant information.

The two (2) Tables below show the major Shareholders and Shares held by Members of the Board.

**Shares Held by Major Shareholders**

| Name of Board Member | Country | Number of Shares | Percentage |
|---|---|---|---|
| Qatar Investment Authority | Qatar | 1,713,187,290 | 53% |
| General Retirement & Social Insurance Authority | Qatar | 405,994,407 | 13% |
| Abu Dhabi Investment Authority | UAE | 320,319,940 | 10% |
| General Military Retirement and Social Insurance Authority | Qatar | 63,695,428 | 2% |

**Shares Held by Members of the Board**

| Name of Board Member | Country | Number of Shares | Beneficiary Name |
|---|---|---|---|
| General Retirement & Social Insurance Authority represented by H.E. Mr. Turki Mohammed Al Khater | Qatar | 405,994,407 | General Retire-ment & Social Insurance Authority |
| Qatar National Bank (QNB) represented by Mr. Abdulla Mubarak Al-Khalifa | Qatar | 25,000,880 | Qatar National Bank (QNB) |
| Wasit Trading Company represented by Sheikh Sauod Bin Nasser Al Thani | Qatar | 58,770 | Sheikh Sauod Bin Nasser Al Thani |
| Mr. Nasser Rashid Al-Humaidi | Qatar | 5,000 | Mr. Nasser Rashid Al-Humaidi |
| Dr. Nasser Marafih | Qatar | 54,500 | Dr. Nasser Marafih |
| H.E. Mr. Mohammed Nasser Al-Hajri | Qatar | 5,000 | H.E. Mr. Mohammed Nasser Al-Hajri |

### 23. Fair Treatment of Shareholders and Voting Rights

According to the provisions of Article (16) of the Company's Articles of Association, which states that "each Share shall give its holder equal proprietary rights as other Shareholders, without any discrimination, in the Company's assets and equal rights to receive Dividends as herein-after provided", the Dividend will be distributed to the Shareholders.

According to the provisions of Article (33) of the Corporate Governance Code for Companies and Legal Entities Listed in the Main Market, Shareholders have the right to request the inclusion of certain issues in the Agenda of the General Assembly and to discuss these issues during the Meeting if the Board doesn't include them and the Assembly decides to do so.

The Company is also keen to choose the most appropriate place and time for holding the General Assembly and for the Company and is committed to use modern technology to communicate with Shareholders to facilitate the effective participation of the largest number of them in the General Assembly Meeting.

According to the provisions of Article (42) and Article (46) of the Company's Articles of Association, the Company makes sure to inform the Shareholders of the topics listed on the Agenda of the General Assembly and provides sufficient information through announcements in the Newspapers, the Qatar Stock Exchange (QSE) website and the Company's website to enable them to make their own decisions.

And according to Article (48) of the Company's Articles of Association, after the General Assembly, the Company discloses the results of the Meeting in a Press Release. As started in Article (42) of the Company's Articles of Association, Shareholders can view the Minutes of the General Assembly Meeting upon request.

According to the provisions of Article (43) of the Company's Articles of Association, each Shareholder has the right to attend the General Assembly, either Personally or by Proxy.

### 24. Employees of the Company

The Human Resources Policy adopted and applied by the Company is prepared in accordance with the provisions of the Labour Law No. 14 of 2004, and related Ministerial decisions which serve the interests of the Company and its Employees, and takes into account at the same time the principles of justice, equality, and nondiscrimination on the basis of gender, race, or religion.

Key functions of HR include recommending and developing necessary Training Plans and submit them for Board approval.

### 25. The Company's Achievements

In 2023, the Company achieved a number of key milestones, including:

1. Ooredoo Group announced an all-time high Net Profit of QR 3.0 billion, with a revenue of QR 23.2 billion for FY 2023.
2. Ooredoo Group's total brand value stood at USD 3.14 billion and the company appeared in the ranking list for the seventh consecutive year. The Group maintained its Brand Strength Index at 79, and its brand rating of AA+ for the fifth consecutive year.
3. S&P upgraded Ooredoo to 'A/A-1' on improved Free Cash generation; Outlook Stable post period on February 9.
4. Ooredoo Group appointed new CxOs, including Mr. Hilal Mohammed Al Khulaifi as Group Chief Legal, Regulatory & Governance Officer, and Mr. Timos Tsokanis as Group Chief Technology and Information Officer.
5. Ooredoo Group appointed Dr. Samer Fares as the new Chief Executive Officer of Ooredoo Palestine.
6. Chris Peirce was appointed as Acting Chief Executive Officer of Ooredoo Myanmar.
7. Roni Tohme was appointed as the new Chief Executive Officer of Ooredoo of Ooredoo Algeria.
8. Bassam Al Ibrahim was appointed as the new Chief Executive Officer of Ooredoo Oman.
9. Ooredoo signed definitive agreements with Zain Group and TASC Towers, establishing the largest tower company in the MENA region.
10. Ooredoo's data centre carve-out is expanding capacity to 120 megawatts with a USD 1 billion investment over the medium to long term. As the market leader with 60% of installed capacity, Ooredoo is uniquely positioned to meet rising demand for localised cloud services.
11. Ooredoo pioneered a new fintech holding, Ooredoo Fintech.
12. Ooredoo Qatar was the world's first operator to deploy 50GPON connectivity and launched groundbreaking Fiber to the Room (FTTR).
13. Ooredoo Qatar also introduced the Ooredoo Business Smart Waste Management solution, utilising IoT technology to enhance waste management for businesses.
14. Ooredoo Kuwait became the first operator in Kuwait to launch Google Pay and introduced an innovative and fully automated digital sales platform, a first among the OpCos.
15. Ooredoo Group partnered with Google for API development, with Microsoft to launch new services for business customers and with Huawei for Fintech.
16. Ooredoo Group launched a new TV/entertainment marketplace, Go Play.
17. Ooredoo Kuwait completed a trial for "Advanced 5G" and launched Wi-Fi 7, becoming the first operator in the country to offer this technology specifically for businesses. It also became the first operator in the country to integrate Narrowband Internet of Things (NB-IOT) technology into its network, setting new standards for connectivity and innovation.
18. Ooredoo Tunisia introduced enhanced fixed wireless access (FWA) speeds at 10Mbps and launched IPV6 in mobile and fixed services for the first time in Tunisia.
19. Asiacell Iraq carried out initiatives such as the 'Learning for a Cause', 'TEDxNishtiman' and United Nations Development Programme Projects, exemplifying the company's commitment to community welfare.
20. Ooredoo Maldives continued to foster a culture of innovation through initiatives such as the Inter-school STEM Fair and promoting national cyber-safety efforts with digital literacy programmes.
21. From the onset of the latest hostilities, Ooredoo Palestine has led support for its communities with the provision of free minutes, SMS and 2G/3G data.
22. Ooredoo Tunisia engaged in a national campaign to reforest 70 hectares in the Bargou forest, restoring areas damaged by fires.



### 26. Parties Concerned

The Company has strict controls and deep-rooted regulations which govern its activities in going into deals or relationships with parties concerned. Also, the Company's Policy prohibits the Chairman and Members of the Board from making any deals for selling or buying the Company's Shares during the period specified by Qatar Stock Exchange (QSE), until the Company's financial results are disclosed to the public and it is confirmed none of the parties concerned has made any deals during ban periods during 2023.

There was no significant transactions with the related parties in the Company registry that required Shareholder approval as of 31 December 2023. In all cases, the transactions of related parties whether important transactions or else are disclosed in the Governance report which is prepared in compliance with Article (122) of Qatari Commercial Companies Law No. 11 for 2015 and its amendments in Law No. 8 for 2021, and Articles (56), (57) and (58) of the Articles of Association and Article (122) of QFMA code and Article (37) of the Corporate governance Code for Companies and Legal Entities listed in the main market issued by the Qatar Financial Markets Authority. It is also presented as part of the audited financial indicators framework towards the end of the year to endorse it in the Annual General Meeting. For more details, readers can refer to the audited consolidated financial statements at the end of the year ended 31 December 2023, which is presented at the end of the Annual Report and considered an integral part of this Corporate Governance Report.

Information on the deals with concerned parties can be obtained by referring to the note complementing the consolidated audited financial statements for the year ended on 31 December 2023.

### 27. Social Responsibility

Corporate Social Responsibility (CSR) focuses on ethical, social and environmental issues. Ooredoo is committed to ethical and legal standards in terms of practicing its activities and contributing to economic development and improving the quality of living conditions of the Company's Employees and their Families, as well as the local community and society as a whole. It also works to respond to the demands of stakeholders and the environment in which they operate.

Ooredoo believes that CSR is an investment in society. It works to engage Management and Employees in CSR activities. The Company is keen to invest in the local community in Qatar, as well as in the communities in which it operates.

As for the Social and Sporting Activities Support Fund DAAM, Ooredoo is bound by Law No. 13 of 2008 and its amendments in Law No. 8 of 2011, and the total amount paid reached QR 553,422 thousand and the amount due for payment is QR 47,776 thousand. More information on this is included in the audited financial results.

Based on our belief that Ooredoo can enrich customers' digital lives and stimulate human development, the company works hard to ensure that everyone in its Markets is able to take full advantage of our leading networks.

The Company is committed to the United Nations' Goals of Sustainable Development. Ooredoo supports those goals in a number of areas across many initiatives, including projects to eradicate extreme poverty, improve human life and work to create a healthier world in the future. Details of these initiatives can be found in the Social Responsibility section of the Ooredoo Annual Report 2023.

### 28. Board of Directors' Report on Internal Control Over Financial Reporting

The Board of Directors of Ooredoo Q.P.S.C. ("Ooredoo") and its consolidated subsidiaries (together the "Group") is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR) based on the framework and the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes controls over disclosures in the consolidated financial statements and procedures designed to prevent material misstatements.

The Board of Directors of the Group is responsible for the design and maintenance of adequate internal controls that when operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Group's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.

We have conducted an evaluation of the design and the operating effectiveness of internal control over financial reporting, as of December 31, 2023, based on the framework and the criteria established in COSO.

We have covered all the significant business processes in our assessment of internal control over financial reporting as of December 31, 2023.

The Company's auditor, PricewaterhouseCoopers – Qatar Branch, will issue a reasonable assurance report on our assessment of ICOFR.

**Risks in Financial Reporting**

The main risks in financial reporting are that either consolidated financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud) or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more consolidated financial statement amounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements and conducted an assessment of the effectiveness of the Group's internal control over financial reporting based on the COSO framework. COSO recommends the establishment of specific objectives to facilitate the design and evaluate adequacy of a control system.

The COSO Framework includes 5 components, and 17 basic principles.

The 5 (five) components and 17 (seventeen) basic principles are:

**• Control environment**

1. The organization demonstrates a commitment to integrity and ethical values
2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control
3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives
4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives
5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives

**• Risk assessment**

6. The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
8. The organization considers the potential for fraud in assessing risks to the achievement of objectives.
9. The organization identifies and assesses changes that could significantly impact the system of internal control.

**• Control activities**

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
11. The organization selects and develops general control activities over technology to support the achievement of objectives.
12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

**• Information and communication**

13. The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.
14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
15. The organization communicates with external parties regarding matters affecting the functioning of internal control.

**• Monitoring**

16. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

Controls covering each of the 17 principles and 5 components have been identified and documented.

As part of designing and establishing ICOFR, management has adopted and addressed the following financial statement objectives:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred.
- Completeness - all transactions are recorded, account balances are included in the consolidated financial statements.
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts.
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities.
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well conceived and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

**Organization of the Internal Control System**

***Functions Involved in the System of Internal Control over Financial Reporting***

Controls within the system of ICOFR are performed by all business functions and infrastructure functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

***Controls to Minimize the Risk of Financial Reporting Misstatement***

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties,
- operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process,
- are preventive or detective in nature,
- have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include entity level controls and IT general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item,
- feature automated and/or manual components Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

**Measuring Design and Operating Effectiveness of Internal Control**

The Group has undertaken a formal evaluation of the adequacy of the design and operating effectiveness of the system of ICOFR. This evaluation incorporates an assessment of the design and operating effectiveness of the control environment as well as individual controls which make up the system of ICOFR taking into account:

- The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the particular consolidated financial statement item to misstatement.
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires in order to be able to assess whether or not the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

In assessing suitability of design and operating effectiveness of ICOFR, we have determined significant processes as those processes in respect of which misstatement in the stream of transactions or related consolidated financial statements amounts, including those caused by fraud or error would reasonably be expected to impact the decisions of the users of consolidated financial statements.

The processes of the Group at 31 December 2023 that were determined as significant are:

1. entity level controls;
2. revenue and receivables;
3. procurement and payments;
4. treasury;
5. human resources and payroll;
6. financial investments;
7. property, plant and equipment;
8. intangible assets and goodwill;
9. general ledger and financial reporting;
10. tax;
11. technology and systems controls; and
12. operation costs.

As a result of the assessment of the design and operating effectiveness of ICOFR, the Board of Directors did not identify any material weaknesses and concluded that ICOFR was appropriately designed and operated effectively as of December 31, 2023.

# Independent Assurance Report to the Shareholders of Ooredoo Q.P.S.C.

Report on Compliance with Qatar Financial Markets Authority's (QFMA's) law and related legislation, including the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the QFMA's Board pursuant to the QFMA's Decision No. (5) of 2016 as at 31 December 2023 ("QFMA's Requirements")

## Introduction

**In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code" or the "Code") issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' assessment of compliance with the QFMA's Requirements, as included in the relevant sections of the Corporate Governance Report, of Ooredoo Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023.**

## Responsibilities of the directors and those charged with governance

The Board of Directors of the Group are responsible for preparing the Board of Directors' assessment of compliance with the QFMA's Requirements, as included in the Corporate Governance Report, that covers at a minimum the requirements of Article 4 of the Code.

The Board of Directors are also responsible for ensuring the Group's compliance with the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 and preparing the Board of Directors' assessment of compliance with QFMA's Requirements.

The Board of Directors are also responsible for identification of areas of non-compliance and related justifications, where mitigated.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including compliance with applicable laws and regulations.

## Responsibilities of the Assurance Practitioner

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Board of Directors' assessment of compliance with the QFMA's Requirements, as included in the Corporate Governance Report, do not present fairly, in all material respects, the Group's compliance with the QFMA's law and relevant legislations, including the Code, based on our limited assurance procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' assessment of compliance with the QFMA's Requirements, as included in the Corporate Governance Report, taken as a whole, is not prepared, in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

A limited assurance engagement involves assessing the risks of material misstatement of the Board of Directors' assessment of compliance with the QFMA's Requirements, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, we do not express a reasonable assurance conclusion about whether the Board of Directors' assessment of compliance with the QFMA's Requirements, as included in the Corporate Governance Report, taken as a whole has been prepared, in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies for the Group and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations, including the Code; the procedures adopted by management to comply with these Requirements and the methodology adopted by management to assess compliance with these requirements;
- considered the disclosures by comparing the contents of the Board of Directors' assessment of compliance with the QFMA's Requirements, as included in the Corporate Governance Report, against the requirements of Article 4 of the Code;
- agreed the relevant contents of the "Board of Directors' assessment on compliance with QFMA's Requirements", as included in the Corporate Governance Report, to the underlying records maintained by the Group; and
- performed limited substantive testing on a selective basis, when deemed necessary, to assess compliance with the QFMA's Requirements, and observed evidences gathered by management; and assessed whether violations of the QFMA's Requirements, if any, have been disclosed by the Board of Directors, in all material respects.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

## Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Inherent limitations

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain an audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the "Board of Directors' assessment on compliance with QFMA's Requirements", as included in the Corporate Governance Report, and the methods used for determining such information.

Because of the inherent limitations of internal controls over compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

## Other information

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the "Board of Directors' assessment on compliance with the QFMA's Requirements"), which we obtained prior to the date of this assurance report.

Our conclusions on the "Board of Directors' assessment on compliance with QFMA's Requirements" as included in the Corporate Governance Report do not cover the other information and we do not, not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the "Board of Directors' assessment on compliance with QFMA's Requirements" as included in the Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If we conclude that there is a material distortion of the other information we obtained prior to the date of this report, based on our actions, we are required to prepare a report. Otherwise, we have nothing to report in this regard.

## Conclusion

Based on our limited assurance procedures described in this report, nothing has come to our attention that causes us to believe that the "Board of Directors' assessment on compliance with QFMA's Requirements", as included in the Corporate Governance Report, does not present fairly, in all material respects, the Group's compliance with the QFMA's law and relevant legislations, including the Code as at 31 December 2023.

For and on behalf of PricewaterhouseCoopers – Qatar Branch
Qatar Financial Market Authority registration number 120155

**Mark Menton**

Auditor's registration number 364
Doha, State of Qatar

12 February 2024

PRICEWATERHOUSECOOPERS - Qatar Branch
P. O. Box : 6689
Doha, State of Qatar

# Independent Assurance Report to the Shareholders of Ooredoo Q.P.S.C.

Report on the suitability of design and operating effectiveness of internal controls over financial reporting of significant processes as at 31 December 2023

## Introduction

**In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code" or the "Code") issued by the Qatar Financial Markets Authority (QFMA) Board, pursuant to Decision No. (5) for 2016, we have carried out a reasonable assurance engagement over the "Board of Directors' Report on Internal Controls over Financial Reporting" of Ooredoo Q.P.S.C. and its subsidiaries (together the "Group") as at 31 December 2023, based on the framework issued by the Committee Of Sponsoring Organisations of the Treadway Commission "COSO Framework.**

## Responsibilities of the directors and those charged with governance

The Board of Directors of the Group are responsible for presenting the "Board of Directors' Report on Internal Controls over Financial Reporting", which includes:

- the Board of Directors' assessment of the suitability of design and operating effectiveness of internal controls over financial reporting;
- description of the identification of significant processes and internal controls over financial reporting; and
- assessment of the severity of design and operating effectiveness of control deficiencies, if any noted, and not remediated at 31 December 2023.

The assessment presented in the Annual Report will be based on the following elements included within the Risk Control Matrices provided by the Group's management:

- the control objectives; including identifying the risks that threaten the achievement of the control objectives; and
- designing and implementing controls to achieve the stated control objectives.

The Group's Board of Directors are also responsible for establishing and maintaining internal financial controls based on the COSO framework.

These responsibilities include the design and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Group's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations.

## Responsibilities of the Assurance Practitioner

Our responsibilities are to express a reasonable assurance conclusion based on our assurance procedures on the "Board of Directors' Report on Internal Controls over Financial Reporting", based on the COSO framework.

We have conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance on the Board of Directors' assessment of suitability of the design and operating effectiveness of the internal controls over financial reporting of significant processes, as presented in the "Board of Directors' Report on Internal Controls over Financial Reporting", to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or consolidated financial statements amount would reasonably be expected to impact the decisions of the users of the consolidated financial statements. The processes that were determined as significant are:

1. entity level controls;
2. revenue and receivables;
3. procurement and payments;
4. treasury;
5. human resources and payroll;
6. financial investments;
7. property, plant and equipment;
8. intangible assets and goodwill;
9. general ledger and financial reporting;
10. tax;
11. technology and systems controls; and
12. operational costs.

An assurance engagement to express a reasonable assurance conclusion on the "Board of Directors' Report on Internal Controls over Financial Reporting" based on the COSO framework involves performing procedures to obtain evidence about the fairness of the presentation of the report. Our procedures on internal controls over financial reporting included:

- obtaining an understanding of internal controls over financial reporting for significant processes;
- assessing the risk that a material weakness exists; and
- testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

In carrying out our engagement, we obtained understanding of the following components of the control system:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities



The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operation, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the "Board of Directors' Report on Internal Controls over Financial Reporting". Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives were achieved.

An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the design and operating effectiveness of the controls over the control objectives stated therein. It further includes performing such other procedures as considered necessary in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the "Board of Directors' Report on Internal Controls over Financial Reporting".

## Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Concept of internal controls over financial reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). An entity's internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of the management of the entity; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the consolidated financial statements.

## Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the "Board of Directors' Report on Internal Controls over Financial Reporting" and the methods used for determining such information.

Because of the inherent limitations of internal controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed and operated as of 31 December 2023 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting for significant processes prior to the date those controls were placed in operation.

## Other information

The Board of Directors are responsible for the other information. The other information comprise the Annual Report (but does not include the "Board of Directors' Report on Internal Controls over Financial Reporting"), which is expected to be made available to us after the date of this assurance report.

Our conclusions on the "Board of Directors' Report on Internal Controls over Financial Reporting", do not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the "Board of Directors' Report on Internal Controls over Financial Reporting", our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If we conclude that there is a material distortion of the other information we obtained prior to the date of this report, based on our actions, we are required to prepare a report. We have nothing to report in this regard.

## Conclusion

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' assessment of the suitability of the design and the operating effectiveness of the Group's internal controls over financial reporting of significant processes, based on the COSO framework and as presented in the "Board of Directors' Report on Internal Controls over Financial Reporting", is presented fairly, in all material respects, as at 31 December 2023.

For and on behalf of PricewaterhouseCoopers - Qatar Branch

Qatar Financial Market Authority registration number 120155

Mark Menton

برايس ووترهاوس كوبرز - فرع قطر
PRICEWATERHOUSECOOPERS - Qatar Branch
P. O. Box : 6689
Doha, State of Qatar

**Mark Menton**

Auditor's registration number 364
Doha, Qatar

12 February 2024

# Financial review

## EBIT*

Amount in QR millions

**5,133**

| | |
|---|---|
| 2023 | 5,133 |
| 2022 | 4,810 |
| 2021 | 5,076 |
| 2020 | 3,843 |
| 2019 | 4,260 |

## Earnings per share

Amount in QR

**0.94**

| | |
|---|---|
| 2023 | 0.94 |
| 2022 | 0.74 |
| 2021 | 0.01 |
| 2020 | 0.35 |
| 2019 | 0.54 |

## Group debt*

Amount in QR millions (Note F)

**12,397**

| | |
|---|---|
| 2023 | 12,397 |
| 2022 | 17,873 |
| 2021 | 19,764 |
| 2020 | 29,662 |
| 2019 | 30,932 |

Long term   Short term

## Capital Expenditure & Capital Expenditure to Revenue (%)*

Amount in QR millions (Note C)

**2,821**

| | | |
|---|---|---|
| 2023 | 12% | 2,821 |
| 2022 | 12% | 2,729 |
| 2021 | 16% | 4,845 |
| 2020 | 20% | 5,790 |
| 2019 | 20% | 5,869 |

## Total customers

Number in millions

**58**

| | |
|---|---|
| 2023 | 58 |
| 2022 | 56 |
| 2021 | 121 |
| 2020 | 120 |
| 2019 | 117 |

## Proportional customers*

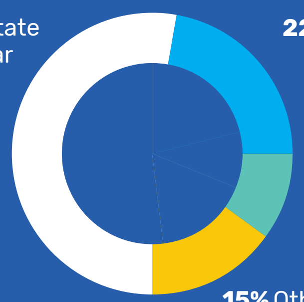
Number in Millions (Note G)

**44**

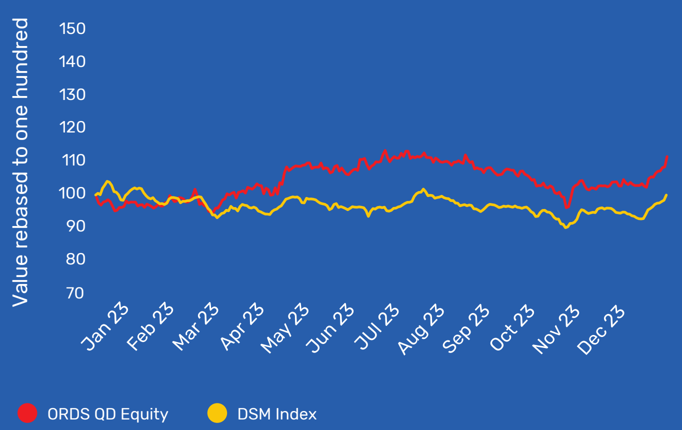
| | |
|---|---|
| 2023 | 44 |
| 2021 | 43 |
| 2021 | 87 |
| 2020 | 87 |
| 2019 | 84 |

*2021 and earlier years include Indosat Ooredoo.

## Company ownership profile




## Share price performance




| Operations | | 2023 | 2022 | % change 2022 to 2023 | 2021* Proforma | % change 2021* to 2022 | 2021 |
|---|---|---|---|---|---|---|---|
| Revenue | QR millions | **23,164** | 22,698 | **2%** | 21,906 | 4% | 29,900 |
| EBITDA (Note A)* | QR millions | **9,623** | 9,129 | **5%** | 9,274 | -2% | 13,050 |
| EBITDA margin | Percentage | **42%** | 40% | | 42% | | 44% |
| Net profit attributable to Ooredoo shareholders | QR millions | **3,016** | 2,360 | **28%** | 47 | 4921% | 47 |
| Earnings per share (EPS) – basic and diluted | QR | **0.94** | 0.74 | | 0.01 | | 0.01 |
| Cash Dividend declared per share (Note B) | QR | **0.55** | 0.43 | | 0.30 | | 0.30 |
| Capital expenditure (Note C) | QR millions | **2,821** | 2,729 | **3%** | 3,084 | -12% | 4,845 |
| Employees | Number | **12,604** | 12,389 | **2%** | 12,276 | 1% | 15,167 |
| **Financial position** | | | | | | | |
| Total net assets | QR millions | **30,574** | 28,156 | **9%** | 26,409 | 7% | 26,409 |
| Net debt (Note D) | QR millions | **6,831** | 10,196 | **-33%** | 14,327 | -29% | 22,771 |
| Net debt to EBITDA | Multiples | **0.7** | 1.1 | | 1.3 | | 1.5 |
| Free cash flow (Note E)* | QR millions | **6,802** | 6,401 | **6%** | 6,189 | 3% | 8,205 |
| Market capitalisation | QR millions | **36,516** | 29,469 | **24%** | 22,486 | 31% | 22,486 |
| **Customers** | | | | | | | |
| Wireless postpaid (incl. wireless broadband) | Thousands | **5,538** | 5,402 | **3%** | 4,911 | 10% | 6,524 |
| Wireless prepaid | Thousands | **51,407** | 49,913 | **3%** | 51,853 | -4% | 114,025 |
| Fixed line (incl. fixed wireless) | Thousands | **645** | 652 | **-1%** | 802 | -19% | 802 |
| Total Customers | Thousands | **57,590** | 55,967 | **3%** | 57,566 | -3% | 121,352 |

* Normalised Proforma number excluding Indosat Ooredoo and major non-recurring items

Note A EBITDA = Revenue - Operating expenses* + Share of results from associates and joint ventures
* Operating expenses = Network, interconnect and other operating expenses + Employee salaries and associated costs +Impairment loss provision on financial assets

Note B Cash Dividend declared per share for 2023 represents proposed dividend

Note C Capital expenditure does not include licence costs.

Note D Net debt = total loans and borrowings + contingent liabilities (letters of guarantee + letters of credit + lease liabilities + vendor financing) less cash (net of restricted cash and cash held below BBB+ rating).

Note E Free cash flow = EBITDA minus Capital expenditure

Note F Short term debt includes debt with a maturity of less than twelve months.

Note G Proportional customers represent the customers for each operating company, multiplied by the effective stake in that operating company.

# FINANCIAL REPORT

We are executing a robust strategy to strengthen our core business and identify opportunities for financial growth.

# Independent auditor's report to the shareholders of Ooredoo Q.P.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Ooredoo Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

**What we have audited**

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss for the year ended 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with IESBA Code and the ethical requirements in the State of Qatar.

## Our audit approach

**Overview**

Key audit matters

- Revenue recognition and related complex IT systems;
- Carrying value of cash generating units, including goodwill; and
- Accounting treatment for uncertain tax exposures, regulatory and pending litigation exposures in the various markets that the Group operates in.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue recognition and related complex IT systems

The Group reported revenue of QR. 23,163,709 thousand from telecommunication related activities.

We considered this area to be a matter of most significance, as there is an inherent risk around the recognition of revenue in telecommunication services given that revenue is processed by complex IT systems involving large volumes of data with a combination of different products, services, and related prices. In addition, the application of the revenue accounting standard is complex and involves several key judgements and estimates. This resulted in a significant portion of our audit effort directed towards this area and related IT systems.

Refer to the following notes to the consolidated financial statements for detail:

- Note 3: Material accounting policy information;
- Note 4: Revenue; and
- Note 43: Significant accounting judgements and estimates.

### How our audit addressed the Key audit matter

We performed audit procedures over this significant risk area, which included a combination of tests of controls and substantive procedures as described below:

- We obtained an understanding of the various significant revenue streams and identified the relevant controls, IT systems, interfaces and reports.
- We assessed the Group's revenue accounting policies, including the key judgements and estimates applied by management in applying the requirements of IFRS 15.
- We placed reliance on the Group's IT systems and key internal controls. We involved our internal Information Technology specialists to assist us with testing the IT general controls and application controls of IT systems connected with the processing of transactions associated with significant revenue streams.
- We performed automated and manual controls testing and substantive procedures, to verify the accuracy and occurrence of revenue. This included testing the end-to-end reconciliations from data records extracted from source systems to the billing systems and to the general ledger.
- We used data analytic tools to identify revenue related manual journals posted to the general ledger and traced them to source systems and traced them to supporting documentation to ensure validity.
- We performed analytical procedures and evaluated underlying source documentation to test the completeness, accuracy and validity of the postings, including those journals we considered unusual in nature.
- We tested calls using various parameters to ascertain the instances will accurately be processed through the network elements and until recognition.
- We also assessed the adequacy of the Group's disclosures in respect to revenue.

### Carrying value of cash generating units, including goodwill

The Group's net assets include goodwill and license costs at the reporting date with a carrying value of QR. 4,582,771 thousand and QR. 9,976,434 thousand respectively. International Accounting Standard (IAS) 36 'Impairment of Assets' requires that goodwill acquired in a business combination to be tested for impairment at least annually. Moreover, the net assets include investments in associates and joint ventures with a carrying value of QR. 7,085,027 thousand as of that date. International Accounting Standard (IAS) 28 'Investments in associates and joint ventures' requires equity accounted for investments to be assessed for impairment where indicators of impairment are present. In addition, some of the businesses that these balances relate to operate in countries experiencing political instability and/or difficult economic conditions. There is a potential risk that these businesses may not trade in line with expectations and forecasts, resulting in an impairment. The Group's assessment of the value in use ("ViU") of its cash generating units ("CGUs") involves estimation about the future performance of the respective businesses. In particular, the determination of the ViU is sensitive to the significant assumptions of projected earnings before interest, taxes, depreciation and amortisation (EBITDA) growth, long-term growth rates, and discount rates. As a result of the impairment tests performed, an impairment of Goodwill amounting to QR. 525 million and impairment of investment in associates amounting to QR. 79 million were recognised during the year ended 31 December 2023.

We considered the Group's impairment assessment to be a matter of most significance to the current year audit due to the significant judgements and assumptions made by management in performing the impairment assessments.

Refer to the following notes to the consolidated financial statements for detail:

- Note 43: Significant accounting judgements and estimates;
- Note 13: Intangible assets and goodwill; and
- Note 16: Investment in associates and joint ventures.

We performed audit procedures over this significant risk area, which included a combination of tests of controls and substantive procedures as described below:

- We obtained an understanding of the business process for the impairment assessment, identifying the relevant internal controls and testing their design, implementation, and operating effectiveness of controls over the impairment process.
- We tested the mathematical accuracy of the valuation models used by management. We also assessed the appropriateness of the valuation methodology (discounted cash flows model) applied by management, with reference to market practice and the requirements of International Accounting Standard (IAS) 36 'Impairment of Assets'.
- We assessed the reliability of the Group's budgets included in the business plans (which form the basis of the cash flow forecasts), by comparing current period budgets to actual results and evaluating differences noted against underlying documentation and explanations obtained from management. We also agreed revenue and (EBITDA) used to calculate cash flow forecasts to approved budgets and/or business plans.
- We utilised internal valuations specialists at the Group and component levels (where deemed necessary) to support us in assessing the assumptions and methodology used by management, and in particular, we independently calculated the weighted average cost of capital and terminal growth rates for each significant cash generating unit.
- We performed sensitivity analyses to determine the changes in key assumptions, namely, discount rates, terminal growth rates and forecast cash flows that would result in an impairment. We considered whether such changes were reasonably likely.
- We also assessed the adequacy of the related disclosures provided in Note 13 and Note 16 to the consolidated financial statements, in particular the sensitivity disclosures in relation to reasonably possible changes in assumptions that could result in impairment.

### Accounting treatment for uncertain tax exposures, regulatory and pending litigation exposures in the various markets that the Group operates in

The Group operates across multiple tax and regulatory jurisdictions and due to the inherent nature of exposures, rulings issued, assessments by tax and regulatory authorities and litigation in certain markets, the Group is exposed to various tax, legal and regulatory matters.

In accounting for these matters, management applies significant judgement in estimating the provisions and related disclosures in accordance with IFRS Accounting Standards.

We considered the accounting treatment for uncertain tax exposures, regulatory and pending litigation exposures in the various markets that the Group operates in to be a matter of most significance to the current year's audit due to the magnitude, complexity and nature of these exposures, such that a significant level of management judgement is required in interpreting specific tax legislation, country specific laws

### Accounting treatment for uncertain tax exposures, regulatory and pending litigation exposures in the various markets that the Group operates in (cont.)

and regulatory provisions or practices to determine whether a liability is required to be recognised or a contingent liability to be disclosed.

Refer to the following notes to the consolidated financial statements for detail:

- Note 38: Commitments, contingent liabilities and litigations;
- Note 43: Significant accounting judgements and estimates; and
- Note 42: Provisions.

In response to the significant risk associated with the accounting treatment of uncertain tax exposures, regulatory and pending litigation, we performed the following procedures:

- We obtained an understanding of the Group's policies in addressing tax, legal and regulatory requirements.
- We assessed the adequacy of the design, implementation, and tested the operating effectiveness of controls over legal, regulatory, and tax registers, which includes the type of claim, amount, provision, and calculation of net exposure.
- We held discussions with the Group's tax, legal and regulatory teams to evaluate management's assessment of the potential outcome of significant exposures and we also discussed with management the facts and circumstances surrounding the significant exposures of the Group in order to evaluate the reasonableness of management's conclusions.
- We held discussions and reviewed reporting deliverables from our component audit teams in relation to significant exposures in overseas subsidiaries. Our component teams also utilised relevant local tax and/or legal experts as necessary in arriving at their conclusions.
- We obtained and reviewed external legal and tax opinions, legal confirmations and other relevant documents supporting management's conclusions on these matters. Where necessary, we held discussions with management's legal department regarding material cases.
- With the support of our component audit teams, we evaluated in-country management's tax, legal and regulatory exposures assessment reports for consistency with reports prepared by Group management.
- We also assessed the adequacy of the related disclosures provided in Note 38 and Note 42 to the consolidated financial statements.

### Other information

The Directors are responsible for the other information. The other information comprises the Chairman's message (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Directors and those charged with governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Company has carried out a physical verification of inventories at the year-end in accordance with observed principles;
- The Company has maintained proper books of account and the consolidated financial statements are in agreement therewith;
- The financial information included in the Chairman's message is in agreement with the books and records of the Company; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 or of its Articles of Association, which would materially affect the reported results of its operations or its financial position as at 31 December 2023.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Qatar Financial Market Authority registration number 120155

Mark Menton

**Mark Menton**

Auditor's registration number **364**
Doha, State of Qatar

12 February 2024

PRICEWATERHOUSECOOPERS - Qatar Branch
P. O. Box : 6689
Doha, State of Qatar

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | 2023 QR. '000 | 2022* QR. '000 |
|---|---|---|---|
| Revenue | 4 | **23,163,709** | 22,698,184 |
| Other income | 5 | **671,530** | 195,418 |
| Network, interconnect and other operating expenses | 6 | **(10,762,258)** | (10,620,951) |
| Royalty fees | 10 | **(238,348)** | (249,306) |
| Employee salaries and associated costs | | **(2,650,535)** | (2,932,006) |
| Depreciation and amortisation | 7 | **(4,584,458)** | (4,565,279) |
| Finance costs | 8 | **(860,563)** | (1,032,373) |
| Finance income | 8 | **325,459** | 266,883 |
| Share of net profit of associates and joint ventures | 16 | **397,705** | 422,183 |
| Impairment losses on financial assets | 39 | **(431,550)** | (192,526) |
| Impairment losses on goodwill and other non-financial assets | 27 | **(701,770)** | (193,308) |
| Other gains / (losses) – net | 9 | **(42,080)** | (470,171) |
| **Profit before income tax and other tax related fees** | | **4,286,841** | 3,326,748 |
| Income tax and other tax related fees | 19 | **(775,305)** | (565,840) |
| **Profit for the year** | | **3,511,536** | 2,760,908 |
| Profit attributable to: | | | |
| Shareholders of the parent | | **3,015,878** | 2,360,234 |
| Non-controlling interests | | **495,658** | 400,674 |
| | | **3,511,536** | 2,760,908 |
| **Basic and diluted earnings per share** (Attributable to shareholders of the parent) (Expressed in QR. per share) | 11 | **0.94** | 0.74 |

* Refer to note 49 for details regarding certain changes in comparative information.



Independent auditor's report is set out in pages 80-83.

The accompanying notes set out in pages 92 to 149 form an integral part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | 2023 QR. '000 | 2022 QR. '000 |
|---|---|---|---|
| **Profit for the year** | | **3,511,536** | 2,760,908 |
| **Other comprehensive (loss) / income** | | | |
| **Items that may be reclassified subsequently to profit or loss** | | | |
| Effective portion of changes in fair value of cash flow hedges | 26 | **(1,701)** | 5,205 |
| Share of other comprehensive income of associates and joint ventures | 26 | **2,632** | 19,925 |
| Foreign currency translation differences | 26 | **868,926** | 1,592,056 |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Net changes in fair value on investments in equity instruments designated as at FVTOCI | 26 | **(89,161)** | 32,689 |
| Net changes in employees' benefits reserve | 26 | **(2,790)** | 124 |
| **Other comprehensive income - net of tax** | | **777,906** | 1,649,999 |
| **Total comprehensive income for the year** | | **4,289,442** | 4,410,907 |
| **Total comprehensive income attributable to:** | | | |
| Shareholders of the parent | | **3,573,611** | 4,097,410 |
| Non-controlling interests | | **715,831** | 313,497 |
| | | **4,289,442** | 4,410,907 |



Independent auditor's report is set out in pages 80-83.

The accompanying notes set out in pages 92 to 149 form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

| | Note | 2023 QR. '000 | 2022* QR. '000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 12 | 13,905,757 | 14,197,628 |
| Intangible assets and goodwill | 13 | 15,514,529 | 16,701,624 |
| Right-of-use assets | 14 | 2,790,486 | 2,587,927 |
| Investment properties | 15 | 118,910 | 117,215 |
| Investment in associates and joint ventures | 16 | 7,085,027 | 7,051,075 |
| Financial assets at fair value | 17 | 966,383 | 886,394 |
| Other non-current assets | 18 | 259,620 | 202,014 |
| Deferred tax assets | 19 | 321,384 | 316,282 |
| Contract costs | 20 | 166,026 | 156,521 |
| **Total non-current assets** | | 41,128,122 | 42,216,680 |
| **Current assets** | | | |
| Inventories | 21 | 308,449 | 404,764 |
| Contract costs | 20 | 222,674 | 213,224 |
| Trade and other receivables | 22 | 5,086,512 | 5,772,951 |
| Bank balances and cash | 23 | 11,462,695 | 13,231,901 |
| **Total current assets** | | 17,080,330 | 19,622,840 |
| **Total assets** | | 58,208,452 | 61,839,520 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Share capital | 24 | 3,203,200 | 3,203,200 |
| Legal reserve | 25 | 12,434,282 | 12,434,282 |
| Fair value and other reserves | 25 | 312,467 | 372,887 |
| Employees' benefits reserve | 25 | (3,567) | (777) |
| Translation reserve | 25 | (6,307,061) | (6,955,719) |
| Other statutory reserves | 25 | 1,457,122 | 1,372,338 |
| Retained earnings | | 15,361,878 | 13,885,144 |
| **Equity attributable to shareholders of the parent** | | 26,458,321 | 24,311,355 |
| Non-controlling interests | | 4,116,031 | 3,845,089 |
| **Total equity** | | 30,574,352 | 28,156,444 |

Independent auditor's report is set out in pages 80-83.

The accompanying notes set out in pages 92 to 149 form an integral part of these consolidated financial statements.

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont.)
AS AT 31 DECEMBER 2023

| | Note | 2023 QR. '000 | 2022* QR. '000 |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Loans and borrowings | 29 | 11,943,368 | 13,729,383 |
| Employees' benefits | 30 | 609,842 | 624,744 |
| Lease liabilities | 33 | 3,131,129 | 3,142,463 |
| Deferred tax liabilities | 19 | 26,251 | 10,414 |
| Other non-current liabilities | 31 | 351,627 | 668,601 |
| Contract liabilities | 34 | 13,346 | 10,466 |
| Provisions | 42 | 217,669 | 205,740 |
| **Total non-current liabilities** | | 16,293,232 | 18,391,811 |
| **Current liabilities** | | | |
| Loans and borrowings | 29 | 467,571 | 4,217,455 |
| Lease liabilities | 33 | 615,138 | 662,250 |
| Trade and other payables | 32 | 7,639,458 | 8,116,403 |
| Deferred income | 28 | 1,396,682 | 1,235,279 |
| Contract liabilities | 34 | 53,375 | 64,072 |
| Income tax and other tax related payables | 19 | 906,792 | 720,894 |
| Provisions | 42 | 261,852 | 274,912 |
| **Total current liabilities** | | 11,340,868 | 15,291,265 |
| **Total liabilities** | | 27,634,100 | 33,683,076 |
| **Total equity and liabilities** | | 58,208,452 | 61,839,520 |

* Refer to note 49 for details regarding certain changes in comparative information.

**Faisal Bin Thani Al Thani**
Chairman

**Nasser Mohammed Marafih**
Deputy chairman

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Independent auditor's report is set out in pages 80-83.

The accompanying notes set out in pages 92 to 149 form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
**For the year ended 31 December 2023**

| | Attributable to shareholders of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Legal Reserve | Fair value and other reserves | Employees' benefits reserve | Translation reserve | Other statutory reserves | Retained earnings | Total | Non – controlling interests | Total Equity |
| | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 |
| **At 1 January 2023** | 3,203,200 | 12,434,282 | 372,887 | (777) | (6,955,719) | 1,372,338 | 13,885,144 | 24,311,355 | 3,845,089 | **28,156,444** |
| Profit for the year | - | - | - | - | - | - | 3,015,878 | 3,015,878 | 495,658 | **3,511,536** |
| Other comprehensive (loss) / income | - | - | (88,135) | (2,790) | 648,658 | - | - | 557,733 | 220,173 | **777,906** |
| **Total comprehensive (loss) / income for the year** | - | - | (88,135) | (2,790) | 648,658 | - | 3,015,878 | 3,573,611 | 715,831 | **4,289,442** |
| Realised gain / (loss) on FVTOCI investment recycled to retained earnings | - | - | 27,715 | - | - | - | (27,715) | - | - | - |
| **Transactions with shareholders of the parent, recognised directly in equity** | | | | | | | | | | |
| Dividend (Note 35) | - | - | - | - | - | - | (1,377,376) | (1,377,376) | - | **(1,377,376)** |
| Transfer to other statutory reserves | - | - | - | - | - | 84,784 | (84,784) | - | - | - |
| **Transactions with non-controlling interests, recognised directly in equity** | | | | | | | | | | |
| Recognition of non-controlling interest | - | - | - | - | - | - | - | - | 249 | **249** |
| Dividends paid to non-controlling interest | - | - | - | - | - | - | - | - | (444,855) | **(444,855)** |
| **Transactions with non-owners of the Group, recognised directly in equity** | | | | | | | | | | |
| Transfer to employee association fund | - | - | - | - | - | - | (1,493) | (1,493) | (283) | **(1,776)** |
| Transfer to social and sports fund | - | - | - | - | - | - | (47,776) | (47,776) | - | **(47,776)** |
| **At 31 December 2023** | 3,203,200 | 12,434,282 | 312,467 | (3,567) | (6,307,061) | 1,457,122 | 15,361,878 | 26,458,321 | 4,116,031 | **30,574,352** |

Independent auditor's report is set out in pages 80-83.

The accompanying notes set out in pages 92 to 149 form an integral part of these consolidated financial statements.

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont.)
**For the year ended 31 December 2023**

| | Attributable to shareholders of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Legal Reserve | Fair value and other reserves | Employees' benefits reserve | Translation reserve | Other statutory reserves | Retained earnings | Total | Non – controlling interests | Total Equity |
| | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 | QR. '000 |
| **At 1 January 2022** | 3,203,200 | 12,434,282 | 393,453 | (5,583) | (8,634,620) | 1,326,968 | 12,504,113 | 21,221,813 | 5,186,715 | **26,408,528** |
| Profit for the year | - | - | - | - | - | - | 2,360,234 | 2,360,234 | 400,674 | **2,760,908** |
| Other comprehensive income/ (loss) | - | - | 58,151 | 124 | 1,678,901 | - | - | 1,737,176 | (87,177) | **1,649,999** |
| **Total comprehensive income/ (loss) for the year** | - | - | 58,151 | 124 | 1,678,901 | - | 2,360,234 | 4,097,410 | 313,497 | **4,410,907** |
| Realised gain on FVTOCI Investment recycled to retained earnings | - | - | (78,717) | - | - | - | 78,717 | - | - | - |
| Employee benefit reserve recycled to retained earnings | - | - | - | 4,682 | - | - | (4,682) | - | - | - |
| **Transactions with shareholders of the parent, recognised directly in equity** | | | | | | | | | | |
| Dividend (Note 35) | - | - | - | - | - | - | (960,960) | (960,960) | - | **(960,960)** |
| Transfer to other statutory reserves | - | - | - | - | - | 45,370 | (45,370) | - | - | - |
| **Transactions with non-controlling interests, recognised directly in equity** | | | | | | | | | | |
| Deconsolidation of a subsidiary (Note 9) | - | - | - | - | - | - | - | - | (1,206,108) | **(1,206,108)** |
| Capital reduction of a subsidiary | - | - | - | - | - | - | - | - | (8,619) | **(8,619)** |
| Dividends paid to non-controlling interest | - | - | - | - | - | - | - | - | (440,108) | **(440,108)** |
| **Transactions with non-owners of the Group, recognised directly in equity** | | | | | | | | | | |
| Transfer to employee association fund | - | - | - | - | - | - | (1,523) | (1,523) | (288) | **(1,811)** |
| Transfer to social and sports fund | - | - | - | - | - | - | (45,385) | (45,385) | - | **(45,385)** |
| **At 31 December 2022** | 3,203,200 | 12,434,282 | 372,887 | (777) | (6,955,719) | 1,372,338 | 13,885,144 | 24,311,355 | 3,845,089 | **28,156,444** |

Independent auditor's report is set out in pages 80-83.

The accompanying notes set out in pages 92 to 149 form an integral part of these consolidated financial statements.

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## CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | 2023 QR. '000 | 2022* QR. '000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Profit before income tax and other tax related fees** | | **4,286,841** | **3,326,748** |
| **Adjustments for:** | | | |
| Depreciation and amortisation | 7 | **4,584,458** | 4,565,279 |
| Dividend income | 5 | **-** | (2,050) |
| Impairment losses on financial assets | 39 | **431,550** | 192,526 |
| Impairment losses on goodwill and other non-financial assets | 27 | **701,770** | 193,308 |
| Gain on disposal of investments at FVTPL | | **-** | (18,160) |
| Unrealised gain on equity investment at FVTPL | | **(80,809)** | (52,069) |
| Gain on disposal of non-financial assets | 9 | **(33,967)** | (40,704) |
| Gain on disposal of investment in associate | | **(139,173)** | - |
| Translation reserve recycled to profit or loss | | **-** | 2,555,069 |
| Gain on deconsolidation of a subsidiary | 9 | **-** | (2,571,881) |
| Finance costs | 8 | **860,563** | 1,032,373 |
| Finance income | 8 | **(325,459)** | (266,883) |
| Provision for employees' benefits | 30 | **181,052** | 204,095 |
| Share of results of associates and joint ventures | 16 | **(397,705)** | (422,183) |
| **Operating profit before working capital changes** | | **10,069,121** | **8,695,468** |
| **Working capital changes:** | | | |
| Changes in inventories | 21 | **96,315** | (39,770) |
| Changes in trade and other receivables | 22 | **161,781** | (699,845) |
| Changes in contract costs | 20 | **(18,955)** | (76,561) |
| Changes in trade and other payables | 32 | **(393,753)** | 329,280 |
| Changes in contract liabilities | 34 | **(7,817)** | 17,818 |
| **Cash generated from operations** | | **9,906,692** | **8,226,390** |
| Interest paid | | **(808,572)** | (848,768) |
| Employees' benefits paid | | **(164,221)** | (153,376) |
| Income tax and other tax related fees paid | | **(572,689)** | (549,035) |
| **Net cash generated from operating activities** | | **8,361,210** | **6,675,211** |



Independent auditor's report is set out in pages 80-83.

The accompanying notes set out in pages 92 to 149 form an integral part of these consolidated financial statements.



## Consolidated Statement of Cash Flows (cont.)
FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | 2023 QR. '000 | 2022* QR. '000 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | 12 | **(2,835,974)** | (2,925,504) |
| Acquisition of intangible assets | 13 | **(274,394)** | (236,845) |
| Acquisition of investments in subsidiary | | **(73,409)** | - |
| Proceeds from disposal of stake in a subsidiary | | **-** | 441,174 |
| Proceeds from disposal of non-financial assets | 9 | **63,714** | 56,974 |
| Proceeds from disposal of financial assets at fair value | | **52,135** | 100,503 |
| Proceeds from disposal of an investment in associate | | **136,438** | - |
| Released restricted deposits | | **41,031** | 39,589 |
| Additions to restricted deposits | | **(225,689)** | (107,136) |
| Net movement in short-term deposits | | **(371,369)** | (57,710) |
| Dividends received from an associate and a joint venture | | **183,827** | 157,534 |
| Other dividends received | | **-** | 2,050 |
| Interest received | | **324,945** | 266,317 |
| **Net cash used in investing activities** | | **(2,978,745)** | **(2,263,054)** |
| **Cash flows from financing activities** | | | |
| Proceeds from loans and borrowings | | **896,197** | 3,594,251 |
| Repayments of loans and borrowings | | **(6,373,671)** | (5,477,168) |
| Principal element of lease payments | 33 | **(793,530)** | (762,225) |
| Reduction of capital a subsidiary | | **-** | (8,619) |
| Additions to deferred financing costs | | **(8,216)** | - |
| Dividends paid to shareholders of the parent | 35 | **(1,377,376)** | (960,960) |
| Dividends paid to non-controlling interests in subsidiaries | | **(444,855)** | (440,108) |
| **Net cash used in financing activities** | | **(8,101,451)** | **(4,054,829)** |
| **Net (decrease) / increase in cash and cash equivalents** | | **(2,718,986)** | **357,328** |
| **Cash and cash equivalents at the beginning of the year** | | **12,423,362** | 11,644,310 |
| Effect of exchange rate fluctuations | | **415,423** | 421,724 |
| **Cash and cash equivalents at the end of the year** | 23 | **10,119,799** | **12,423,362** |

*Refer to note 49 for details regarding certain changes in comparative information



Independent auditor's report is set out in pages 80-83.

The accompanying notes set out in pages 92 to 149 form an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2023

## 1. REPORTING ENTITY

Qatar Public Telecommunications Corporation (the "Corporation") was formed on 29 June 1987 domiciled in the State of Qatar by Law No. 13 of 1987 to provide domestic and international telecommunication services within the State of Qatar. The Company's registered office is located at 100 Westbay Tower, Doha, State of Qatar.

The Corporation was transformed into a Qatari Shareholding Company under the name of Qatar Telecom (Qtel) Q.S.C. (the "Company") on 25 November 1998, pursuant to Law No. 21 of 1998.

In June 2013, the legal name of the Company was changed to Ooredoo Q.S.C. This change had been duly approved by the shareholders at the Company's extraordinary general assembly meeting held on 31 March 2013.

The Company changed its legal name from Ooredoo Q.S.C. to Ooredoo Q.P.S.C. to comply with the provisions of the new Qatar Commercial Companies Law issued on 7 July 2015.

The Company is a telecommunications service provider licensed by the Communications Regulatory Authority (CRA) to provide both fixed and mobile telecommunications services in the state of Qatar. As a licensed service provider, the conduct and activities of the Company are regulated by CRA pursuant to Law No. 34 of 2006 (Telecommunications Law) and the Applicable Regulatory Framework.

During 2021, the Qatar Commercial law number 11 of 2015 has been amended by Law number 8 of 2021. The management assessed the compliance of the Company and the required changes to the Article of the Association was amended in the Extraordinary General Assembly Meeting held on 8 March 2022.

The Company and its subsidiaries (together referred to as the "Group") provides domestic and international telecommunication services in Qatar and elsewhere in the Asia and Middle East and North African (MENA) region. Qatar Holding L.L.C. is the Parent Company of the Group. Qatar Holding L.L.C. is controlled by Qatar Investment Authority – the sovereign wealth fund of the State of Qatar – (the "Ultimate parent").

In the Extraordinary General Assembly Meeting held on 27 December 2023, the shareholding of Company held by Qatar Holding L.L.C. was transferred to Qatar Investment Authority.

In line with an amendment issued by Qatar Financial Markets Authority ("QFMA"), effective from May 2018, listed entities are required to comply with the Qatar Financial Markets Authority's law and relevant legislations including Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code"). The Group has taken appropriate steps to comply with the requirements of the Governance Code.

The consolidated financial statements of the Group for the year ended 31 December 2023 were authorised for issuance in accordance with a resolution of the Board of Directors of the Company on **12 February 2024.**

## 2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with (IFRS) Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

**Basis of measurement**

The consolidated financial statements have been prepared on a historical cost basis except for the following:

- Equity instruments, classified as Fair Value Through Other Comprehensive Income ("FVTOCI") and Fair Value Through Profit and Loss ("FVTPL"), are measured at fair value;
- Derivative financial instruments are measured at fair value;
- Liabilities for long term incentive points-based payments arrangements are measured at FVTPL; and
- Assets classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell.

Historical cost is based on the fair value of the consideration, which is given in exchange for goods and services. The methods used to measure fair values are discussed further in note 40.

The consolidated financial statements are prepared in Qatari Riyals, which is the Company's functional and presentation currency, and all values are rounded to the nearest thousands (QR.'000) except when otherwise indicated.

**Judgments, estimates and risk management**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies, the key sources of estimation uncertainty and financial risk management objectives and policies are disclosed in note 39.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements comprise the financial statements of Ooredoo Q.P.S.C. and its subsidiaries. The accounting policies set out below have been applied consistently to all the periods presented (except as mentioned otherwise) in these consolidated financial statements, and have been applied consistently by the Group entities, where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group.

### 3.1 GOING CONCERN

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

### 3.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (including structured entities) and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from contractual arrangements; and
- any additional facts and circumstances that indicate that the company has or does not have the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributable to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### A) BUSINESS COMBINATIONS AND GOODWILL

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired, and any amount of any non-controlling interest in the acquiree. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the consolidated statement of profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Contingent consideration, classified as an asset or liability that is a financial instrument and within scope of IFRS 9 Financial instruments, is measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent considerations that are not within the scope of IFRS 9 are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports in the consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which is no longer than one year from the acquisition date, the provisional amounts recognised at acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the Group also recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our cash-generating units, or CGUs, that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill acquired in a business combination has yet to be allocated to identifiable CGUs because the initial accounting is incomplete, such provisional goodwill is not tested for impairment unless indicators of impairment exist and we can reliably allocate the carrying amount of goodwill to a CGU or group of CGUs that are expected to benefit from the synergies of the business combination. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the CGU retained.

#### B) NON-CONTROLLING INTERESTS ("NCI")

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### C) SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### D) LOSS OF CONTROL

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Notes

## Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

#### 3.2 Basis of Consolidation (cont.)

**E) INTERESTS IN ASSOCIATES AND JOINT VENTURES**

Associates are those entities in which the Group has significant influence, but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates and joint ventures less any impairment in the value of individual investments. Losses of the associates and joint ventures in excess of the Group's interest are not recognised unless the Group has incurred legal or constructive obligations on their behalf. The carrying values of investments in associates and joint ventures are reviewed on a regular basis and if an impairment in the value has occurred, it is written off in the period in which those circumstances are identified.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associates and joint ventures at the date of acquisition is recognised as goodwill and included as part of the cost of investment. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the associates and joint ventures at the date of acquisition is credited to the consolidated statement of profit or loss in the year of acquisition.

The Group's share of associates' and joint ventures' results is based on the most recent financial statements or interim financial statements drawn up to the Group's reporting date. For the Group's joint ventures, the Group accounts for its share in the results, assets and liabilities of its joint ventures using the equity method of accounting. One of the Group's joint ventures is an investment entity and applies fair value measurement to its subsidiaries.

Profits and losses resulting from upstream and downstream transactions between the Group (including its consolidated subsidiaries) and its associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated group's interests in the associates or joint ventures.

**F) TRANSACTIONS ELIMINATED ON CONSOLIDATION**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The subsidiaries of the Company, incorporated in the consolidated financial statements of the Company are as follows:

| Name of subsidiary | Principal activity | Country of incorporation | Group effective shareholding percentage as at 31 December | |
|---|---|---|---|---|
| | | | 2023 | 2022 |
| Ooredoo Investment Holding W.L.L. | Investment company | Bahrain | 100% | 100% |
| Ooredoo International Investments L.L.C. | Investment company | Qatar | 100% | 100% |
| Ooredoo Group L.L.C. | Management service company | Qatar | 100% | 100% |
| Ooredoo South East Asia Holding W.L.L. | Investment company | Bahrain | 100% | 100% |
| West Bay Holding W.L.L. | Investment company | Bahrain | 100% | 100% |
| Ooredoo Asian Investments Pte. Ltd. | Investment company | Singapore | 100% | 100% |
| Al Dafna Holding W.L.L. | Investment company | Bahrain | 100% | 100% |
| Al Khor Holding W.L.L. | Investment company | Bahrain | 100% | 100% |
| IP Holdings Limited | Investment company | Cayman Islands | 100% | 100% |
| Ooredoo Myanmar Tower Holding Co. | Investment company | Cayman Islands | 100% | 100% |
| wi-tribe Asia Limited | Investment company | Cayman Islands | 100% | 100% |

| Name of subsidiary | Principal activity | Country of incorporation | Group effective shareholding percentage as at 31 December | |
|---|---|---|---|---|
| | | | 2023 | 2022 |
| Ooredoo International Finance Limited | Investment company | Bermuda | 100% | 100% |
| MENA Investcom W.L.L. | Investment company | Bahrain | - | 100% |
| Omani Qatari Telecommunications Company S.A.O.G. ("Ooredoo Oman") | Telecommunication company | Oman | 55.0% | 55.0% |
| Starlink W.L.L. | Telecommunication company | Qatar | 72.5% | 72.5% |
| National Mobile Telecommunications Company K.S.C.P ("Ooredoo Kuwait") | Telecommunication company | Kuwait | 92.1% | 92.1% |
| Wataniya International FZ – L.L.C. | Investment company | United Arab Emirates | 92.1% | 92.1% |
| Al-Bahar United Company W.L.L. ("Phono") | Telecommunication company | Kuwait | 92.1% | 92.1% |
| Al Wataniya Gulf Telecommunications Holding Company W.L.L. | Investment company | Bahrain | 92.1% | 92.1% |
| Ooredoo Maldives PLC | Telecommunication company | Maldives | 83.3% | 83.3% |
| WARF Telecom International Pvt. Ltd. | Telecommunication company | Maldives | 59.9% | 59.9% |
| Wataniya Telecom Algerie S.P.A. ("Ooredoo Algeria") | Telecommunication company | Algeria | 74.4% | 74.4% |
| Ooredoo Consortium Ltd. | Investment company | Malta | 92.1% | 92.1% |
| Duqm Data Centre SAOC (i) | Telecommunication company | Oman | 39.0% | 39.0% |
| Ooredoo Tunisia Holdings Ltd. | Investment company | Malta | 92.1% | 92.1% |
| Ooredoo Malta Holdings Ltd. | Investment company | Malta | 100% | 100% |
| Ooredoo Tunisie S.A. | Telecommunication company | Tunisia | 84.1% | 84.1% |
| Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("Ooredoo Palestine") (ii) | Telecommunication company | Palestine | 45.4% | 45.4% |
| Raywood Inc. | Investment company | Cayman Islands | 100% | 100% |
| Newood Inc. | Investment company | Cayman Islands | 100% | 100% |
| Midya Telecom Company Limited ("Fanoos") (iii) | Telecommunication company | Iraq | 49.0% | 49.0% |
| Al-Rowad General Services Limited | Investment company | Iraq | 100% | 100% |
| Asiacell Communications PJSC | Telecommunication company | Iraq | 64.1% | 64.1% |
| wi-tribe Limited | Investment company | Cayman Islands | 86.1% | 86.1% |

## Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2023

**3. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)**

**3.2 Basis of Consolidation (cont.)**

**F) TRANSACTIONS ELIMINATED ON CONSOLIDATION (cont.)**

| Name of subsidiary | Principal activity | Country of incorporation | Group effective shareholding percentage as at 31 December | |
|---|---|---|---|---|
| | | | **2023** | **2022** |
| Barzan Holding W.L.L. | Investment company | Bahrain | **100%** | 100% |
| Laffan Holding W.L.L. | Investment company | Bahrain | **100%** | 100% |
| Zekreet Holding W.L.L. | Investment company | Bahrain | **100%** | 100% |
| Ooredoo Myanmar Ltd. | Telecommunication company | Myanmar | **100%** | 100% |
| Al Wokaer Holding W.L.L. | Investment company | Bahrain | **-** | 100% |
| Al Wakrah Holding W.L.L. | Investment company | Bahrain | **-** | 100% |
| Ooredoo IP L.L.C. | Management service company | Qatar | **100%** | 100% |
| Ooredoo Global Services L.L.C. | Management service company | Qatar | **100%** | 100% |
| Seyoula International Investments W.L.L. | Investment company | Qatar | **100%** | 100% |
| Fast Telecommunications Company W.L.L. | Telecommunication company | Kuwait | **92.1%** | 92.1% |
| Ooredoo Myanmar Fintech Limited | Telecommunication company | Myanmar | **100%** | 100% |
| OIH Investment L.L.C. | Investment company | Qatar | **100%** | 100% |
| Al Wokaer East L.L.C. | Investment company | Qatar | **100%** | 100% |
| Barzan East L.L.C. | Investment company | Qatar | **100%** | 100% |
| Ooredoo Financial Services L.L.C. | Investment company | Qatar | **100%** | 100% |
| Al Wakra East L.L.C. | Investment company | Qatar | **100%** | 100% |
| Al Tamyeez for Technological Services L.L.C. previously known as "OSEA Investment L.L.C." | Investment company | Qatar | **100%** | 100% |
| AlAbraj Alaoula for General Contracting W.L.L. | Service company | Qatar | **100%** | 100% |
| Mediterraneenne Prestations De Services EURL | Service company | Algeria | **74.4%** | 74.4% |
| Gulf Towers S.P.C | Service company | Oman | **55.0%** | 55.0% |
| Abraj Al Kuwait Holding LLC | Service company | Kuwait | **92.1%** | 92.1% |
| Tunisia Towers Infraco SARL | Service company | Tunisia | **84.1%** | 84.1% |
| MENA Tower Company B.V. | Investment company | Netherlands | **100%** | 100% |
| MENA Digital Holdings B.V. | Investment company | Netherlands | **100%** | 100% |
| Ooredoo Southeast Asia Holding Pte. Ltd | Investment company | Singapore | **100%** | 100% |
| Starlink Arabia | Wholesale and retail electronics and reparations | Saudi Arabia | **72.5%** | 72.5% |
| Starlink Tech S.P.C | Export and Import Services | Oman | **72.5%** | 72.5% |
| Mena Digital Hub B.V. W.L.L. | Investment company | Qatar | **100%** | - |
| Mena Digital Solutions Co W.L.L | Investment company | Qatar | **100%** | - |
| Mena Digital Hub Group L.L.C. | Management service company | Qatar | **100%** | - |
| OFT International L.L.C, | Management service company | Qatar | **100%** | - |
| Al Tamayuz Technological Services L.L.C. | Service company | Qatar | **100%** | - |
| Data Centre Digital Hub S.P.C | Service company | Oman | **100%** | - |
| Data Centre Digital Solutions S.P.C | Service company | Oman | **100%** | - |
| Oman OFT International SAOC | Service company | Oman | **100%** | - |
| Tunisia Hyperscale Solutions LLC | Service company | Tunisia | **100%** | - |
| Iraq Al Mustakbal For Communication And Internet Services & Elektronic Services Ltd (iv) | Investment company | Iraq | **49%** | - |
| Masarat al Iraq information technology Co.Ltd (iv) | Service company | Iraq | **49%** | - |
| Mena Digital Hub B.V. | Investment company | Netherlands | **100%** | - |
| Crave International Ltd. | Investment company | British Virgin Islands | **100%** | - |
| Centofex Ltd | Investment company | Cyprus | **100%** | - |

i) The Group holds an effective 39% (2022: 39%) of Duqm Data Centre SAOC and has established control over the entity, as it can demonstrate power, indirectly, through Omani Qatari Telecommunications Company S.A.O.G. ("Ooredoo Oman") by virtue of Ooredoo Oman having more than 51% of the voting interest or control in this company. This exposes the Group to variable returns from its investment and gives the Group the ability to affect those returns through its power over them, hence, this company has been considered as a subsidiary of the Group.

ii) The Group holds an effective 45.4% (2022: 45.4%) of Ooredoo Palestine and has established control over the entity as it can demonstrate power through its indirect ownership of National Mobile Telecommunications Company K.S.C.P. ("NMTC") by virtue of NMTC holding 49.3% of the voting interests in Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("Ooredoo Palestine") along with its right to appoint the majority of the board of directors at all times, where major decisions are taken with simple majority. NMTC has also entered into an arrangement with the other majority shareholder, where NMTC is able to unilaterally make decisions over the relevant activities of Ooredoo Palestine. This exposes the Group to variable returns and gives the Group the ability to affect those returns through its power over Ooredoo Palestine.

iii) The Group incorporated Raywood Inc ("Raywood"), a special purpose entity registered in Cayman Islands with 100% (2022: 100%) voting interest held by the Group to carry out investment activities in Iraq. Raywood acquired a 49% interest in Midya Telecom Company Limited ("Fanoos") in Iraq. Although the Group holds less than a majority of the shareholding of Fanoos, the Group can still demonstrate its power by virtue of shareholders' agreement entered into between Raywood and Fanoos, Iraq. This arrangement exposes the Group to variable returns and gives the Group the ability to affect those returns over Fanoos.

iv) The Group via its 100% owned subsidiary in Qatar ("Al Wakra East LLC") acquired 49% legal shareholding of Iraq Mustakbal Company for communications, Internet and Electronic Services Ltd. ("Iraq Al Mustakbal") and its 100% owned subsidiary Masarat Al-Iraq Information Technology Co. Ltd. ("Masarat") in Iraq. Although the Group holds less than a majority of the voting rights of Iraq Al Mustakbal and Masarat, the Group can still demonstrate its power by virtue of shareholders' agreement entered into between the shareholders of Iraq Al Mustakbal. This arrangement exposes the Group to variable returns and gives the Group the ability to affect those returns over Iraq Al Mustakbal and Masarat.

**3.3 CHANGES TO MATERIAL ACCOUNTING POLICY INFORMATION**

**1. New and amended standards adopted by the Group**

A number of new or amended standards became applicable for the current reporting period, and the Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

- IFRS 17 – Insurance contracts;

## Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2023

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

### 3.3 CHANGES TO MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

#### 1. New and amended standards adopted by the Group (cont.)

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – Amendments to IAS 8;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12; and
- Organisation for Economic Co-operation and Development (OCED) Pillar Two Rules.

The amendments listed above did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect future periods.

#### 2. Impact of new standards (issued but not yet adopted by the Group)

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretation and amendments which will be adopted in the Group's financial statement as and when they are applicable.

### 3.4 REVENUE

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customers, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognises revenue when it transfers control over goods or services to its customers.

Revenue from telecommunication services mainly consists of access charges, airtime usage, messaging, interconnect fees, data and connectivity services, connection fees and other related services. Services are offered separately or as bundled packages along with other services and/ or devices.

For bundle packages, the Group accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services (i.e. distinct performance obligations, "PO") in a bundle based on their stand-alone selling prices.

The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a standalone basis. For items that are not sold separately (e.g. customer loyalty program) the Group estimates standalone selling prices using other methods (i.e. adjusted market assessment approach, cost plus margin approach or residual approach).

#### Recognition of revenue

Management considers recognising revenue over time, if one of the following criteria is met, otherwise revenue will be recognised at a point in time:

a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The Group principally obtains revenue from following key segments:

***Mobile services***

Mobile service contracts typically consist of specific allowances for airtime usage, messaging, data, and connection fees. In this type of arrangement, the customer simultaneously receives and consumes the benefits as the Group performs the service. Thus, the revenue is recognised over the period as and when these services are provided.

***Fixed services***

The Group offers fixed services which normally include installation and configuration services, internet connectivity, television and telephony services. These services are bundled with locked or unlocked equipment, such as routers and/or set-top boxes. Similar to mobile service contracts, fixed service revenue with locked equipment is recognised over the contract period, whereas revenue recognition for unlocked equipment is upon transfer of control to the customer.

***Sale of unlocked devices***

Devices such as smartphones, tablets, Mi-Fis and other similar devices that are sold separately and are not bundled with mobile/fixed service contracts, have standalone value to the customer and are unlocked devices. The revenue from the sale of unlocked devices is recognised at a point in time upon transfer of control to the customer.

***Interconnection service***

Revenue from the interconnection of voice and data traffic with other telecommunications operators is recognised over time as and when the transit occurred across our network.

***Revenue from transit services***

The Group determines whether it will be acting as principal or an agent on these types of arrangements and accordingly recognises gross revenue if it is a principal, and net revenue if it is an agent. The revenue is recognised over the period as and when these services are provided.

***Customer loyalty schemes***

The Group has concluded that: (i) it is acting as a principal when the customer loyalty points are redeemed through the Group's own services or products and recognises revenue on a gross basis; and (ii) is acting as an agent on customer loyalty scheme arrangements which are redeemed through its partners where revenue is recognised on a net basis.

The Group concluded that the loyalty scheme gives rise to a separate performance obligation because it generally provides a material right to the customer. The Group allocates a portion of the transaction price to the loyalty scheme liability based on the relative standard standalone selling price of loyalty points and a contract liability is recognised until the points are redeemed or expired.

***Value-added services***

The Group has offerings where it provides customers with additional content, such as music and video streaming and SMS services, as Value-Added Services (VAS). For these types of services, the Group determines whether they are acting as a principal and accordingly recognises gross revenue if it is a principal, and net revenue where they have concluded they are an agent.

***Connection fees***

The Group has concluded that connection fees charged for the activation of services will be recognised over the contract period. The connection fees that are not considered as a distinct performance obligation shall form part of the transaction price and recognised over the period of service.

***Multiple elements arrangements (Mobile contract plus handset)***

The Group has concluded that in case of multiple elements arrangements with subsidised products delivered in advance, the component delivered in advance (e.g. mobile handset), will require recognition of a contract asset. Contract asset primarily relates to the Group's right to consideration for services and goods provided but not billed at the reporting date.

***Installation cost, commissions to third party dealers, marketing expenses***

The Group has concluded that commissions and installation costs meet the definition of incremental costs to acquire a contract or a cost to fulfil a contract. The Group has capitalised these expenses as contract cost assets and amortised as per portfolio approach. Recognised contract assets will be subject to impairment assessment under IFRS 9 requirements.

***Upfront commission***

The Group has concluded that the sale of prepaid cards to dealers or distributors where the Group retains its control over the prepaid cards is assessed as a consignment arrangement. Thus, the Group shall not recognise revenue upon sale to dealers or distributors but upon utilisation or expiration of prepaid cards. Consequently, the commission arising from the sale of prepaid cards is recognised as an expense.

In cases where the Group transfers its control over the prepaid cards to dealers, distributors or customers, the Group has concluded that the upfront commission qualifies as a consideration payable to a customer and therefore will be treated as a reduction of the transaction price. Similarly, the Group shall recognise revenue only upon utilisation or expiration of prepaid cards (expiration typically being 1 to 2 years from the issuance date).

***Commission income***

When the Group acts in the capacity of an agent rather than as the principal in the transaction, the revenue recognised is the net amount of commission made by the Group.

***Ancillary service income***

Revenue from ancillary services is recognised when these services are provided.

***Significant financing component***

The Group has decided to recognise interest expense at an appropriate annual interest rates over the contract period and total transaction price including financing component is recognised when equipment is delivered to a customer.

***Contract assets and liabilities***

The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the consolidated financial statements. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

***Discounts and promotions***

The Group provides various discounts and promotions to its customers, which may be agreed at inception or provided during the contract term. The impact and accounting of these discounts and promotions vary and may result in recognition of contract assets.

### 3.5 LEASES

#### A. Definition of leases

The Group assesses whether a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

a) The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

b) The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c) The Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

   i) The Group has the right to operate the asset; or

   ii) The Group designed the asset in a way that predetermines how and for what purpose it will be used.

#### B. As a lessee

The Group leases several assets including sites, office buildings, shops, vehicles and others. The average lease term is 2 to 20 years. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate over a period of lease term. The incremental borrowing rate is the rate of interest that the Group would have to pay, to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of- use asset, in a similar economic environment. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease term determined by the Group comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

# Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2023

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

### 3.5 LEASES (cont.)

#### B. As a lessee (cont.)

Lease payments included in the measurement of the lease liability comprise the following:

a) Fixed payments; and

b) Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets, which do not meet the definition of investment properties, separately from other assets and also separately presents lease liabilities, in the consolidated statement of financial position. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all class of underlying assets that have a lease term of 12 months or less, or those leases which have low-value underlying assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components and instead accounts for each lease component and associated non-lease components as a single lease component.

#### C. As a lessor

The Group performs an assessment of each lease on inception. If a lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, it is classified as a finance lease, otherwise, it is classified as an operating lease. The Group also considers certain indicators, such as whether the lease is for the major part of the economic life of the asset, as a part of its assessment.

The operating leases entered into by the Group mainly relate to tower sharing arrangements, which have a lease term of 2 to 15 years. The lessee does not have an option to purchase the asset at the expiry of the lease period, and the unguaranteed residual values do not represent a significant risk for the Group.

The Group has also entered into finance lease arrangements for optical fibre agreements, which have a lease term of 15 to 20 years.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The lease classification of a sub-lease is assessed with reference to the right-of-use asset arising from the head lease, and not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the claimed exemption, the sub-lease is classified as an operating lease.

When an arrangement contains lease and non-lease components, the Group applies IFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract. The Group recognises lease payments received under operating leases as income in the consolidated statement of profit or loss, on a straight line basis over the lease term.

### 3.6 OTHER GAINS / (LOSSES)

Other gains / (losses) represents gains / (losses) generated by the Group that arise from activities outside of the provision for communication services and equipment sales. Key components of other gains / (losses) are recognised as follows:

***Fair value gains***

Fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre-existing interest in an acquire in a business combination and gains on hedging instruments that are recognised in the consolidated statement of profit or loss.

***Foreign exchange gain and losses***

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

### 3.7 TAXES

Some of the subsidiaries, joint ventures and associates are subject to taxes on income in various foreign jurisdictions. Income tax expense represents the sum of current and deferred tax.

***Current income tax***

Current income tax and withholding tax for the current year and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the financial reporting year and any adjustment to tax payable in respect of previous years.

***Deferred income tax***

Deferred income tax is provided based on temporary differences at the end of the financial reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unutilised tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each end of the financial reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each end of the financial reporting year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the financial reporting year.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

***Current and deferred tax for the year***

Current and deferred income tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred income tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

***Tax exposure***

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgements regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

### 3.8 FINANCE COST

Finance costs comprise interest expense on lease liabilities and borrowings, unwinding of the discount on provisions recognised in the consolidated statement of comprehensive income.

### 3.9 FINANCE INCOME

Finance income comprises interest income on funds invested that is recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues in profit or loss, using effective interest method.

### 3.10 PROPERTY, PLANT AND EQUIPMENT

***Recognition and measurement:***

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Assets in the course of construction are carried at cost, less any impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets include the following:

- The cost of materials and direct labor;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalised borrowing costs.

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

Capital work-in-progress is transferred to the related property, plant and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for operational use.

***Transfer to investment properties***

When the use of property changes from owner-occupied to investment properties, the property is reclassified accordingly at the carrying amount on the date of transfer in accordance with cost model specified under IAS 40.

***Expenditure***

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

***Depreciation***

Items of property, plant and equipment are depreciated on a straight line basis in the consolidated statement of profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation of these assets commences from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. The estimated useful lives of the property, plant and equipment are as follows.

| | |
|---|---|
| Buildings | 5 – 40 years |
| Exchange and networks assets | 5 – 25 years |
| Subscriber apparatus and other equipment | 2 – 10 years |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

***Derecognition***

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of profit or loss in the year the asset is

# Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2023

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

### 3.10 PROPERTY, PLANT AND EQUIPMENT(cont.)

**Derecognition (cont.)**

derecognised. The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

### 3.11 INTANGIBLE ASSETS AND GOODWILL

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at each financial year.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category consistent with the nature of the intangible asset.

***Research and development***

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

***Indefeasible rights of use ("IRU")***

IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an asset when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibres or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life. They are amortised on a straight-line basis over the shorter of the expected period of use and the life of the contract which ranges between 10 to 15 years.

Capital work-in-progress related to IRU is initially presented as part of property, plant and equipment. When the construction or installation and related activities necessary to prepare the IRU for their intended use and operations have been completed, the related IRU will be transferred from property, plant and equipment to long term prepayments based on the specific contractual rights.

The useful lives of intangible assets are assessed to be either finite or indefinite.

***Goodwill***

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of the investee at the date of acquisition which is not identifiable to specific assets.

Goodwill acquired in a business combination from the acquisition date is allocated to each of the Group's cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the Group's operating segments as determined in accordance with IFRS 8, Operating Segments.

A summary of the useful lives and amortisation methods of Group's intangible assets other than goodwill are as follows:

| | *License costs* | Customer contracts and related customer relationship | Brand / Trade names | *IRU, software and other intangibles* |
|---|---|---|---|---|
| Useful lives | Finite (10 – 50 years) | Finite (2 – 8 years) | Finite (6 – 25 years) | Finite (3 – 15 years) |
| Amortisation method used | Amortised on a straight line basis over the periods of availability | Amortised on a straight line basis over the periods of availability. | Amortised on a straight line basis over the periods of availability | Amortised on a straight line basis over the periods of availability |
| Internally generated or acquired | Acquired | Acquired | Acquired | Acquired |

### 3.12 INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and amortisation. Depreciation and amortisation of investment properties are computed using the straight line method over the estimated useful lives (EUL) of assets of twenty (20) years.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment properties are depreciated on a straight line basis using estimated useful life of 20 years.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment properties are recognised in the consolidated statement of profit or loss in the year of retirement or disposal.

### 3.13 FAIR VALUE MEASUREMENT

For measurement and disclosure purposes, the Group determines the fair value of an asset or liability at initial measurement or at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2; leasing transactions that are within the scope of IFRS 16 and measurements that have some similarities to fair value, but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

### 3.14 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

### 3.15 FINANCIAL ASSETS

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value through other comprehensive or fair value through profit and loss, depending on the classification of the financial assets.

**Classification of financial assets**

**i) *Debt instruments designated at amortised cost***

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Amortised cost and effective interest rate method**

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)**

**3.15 FINANCIAL ASSETS (cont.)**

**Classification of financial assets (cont.)**

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

**ii) *Debt instruments designated at FVTOCI***

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii) *Equity instruments designated as at FVTOCI***

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value and other reserves. The cumulative gain or loss will not be reclassified to consolidated statement of profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in consolidated statement of profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment.

**iv) *Financial assets at FVTPL***

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the consolidated statement of profit or loss.

**Foreign exchange gains and losses**

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other (Losses) / Gains – net' line item (note 9);
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'Other (Losses) / Gains – net' line item (note 9). As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income – net' line item as part of the fair value gain or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

**Impairment of financial assets**

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade and other receivables, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade and other receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**i) *Significant increase in credit risk***

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

**ii) *Definition of default***

The Group employs flowrate models to analyse the historical data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group. For trade receivables, the average credit terms are 30-90 days.

**iii) *Credit-impaired financial assets***

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event;

c) the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

e) the disappearance of an active market for that financial asset because of financial difficulties; or

f) when the financial asset is 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

**iv) *Measurement and recognition of expected credit losses***

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group recognises an impairment gain or loss in consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value and other reserves, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

**v) *Write-off policy***

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

**Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Modification of financial assets**

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among others, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination of the instrument, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a significant increase event has occurred. The Group also assesses whether the new loan or debt instrument meets the solely payments of principal and interest criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

### 3.15 FINANCIAL ASSETS (cont.)

#### Modification of financial assets (cont.)

consideration received and receivable is recognised in the consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the fair value and other reserves is reclassified to consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the fair value and other reserves is not reclassified to consolidated statement profit or loss, but is transferred to retained earnings.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The contractual rights to receive cash flows from the asset have expired.
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### 3.16 FINANCIAL LIABILITIES

All financial liabilities are measured either at FVTPL or at amortised cost using the effective interest method.

*Financial liabilities at FVTPL*

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in consolidated statement of comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the consolidated statement of profit or loss. The remaining amount of change in the fair value of liability is recognised in the consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in the consolidated statement of comprehensive income are not subsequently reclassified to the consolidated statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in the consolidated statement of profit or loss.

*Financial liabilities measured at amortised cost*

Financial liabilities, that are not designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

*Financial guarantee contract liabilities*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

*Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other Losses – net' line item in profit or loss (note 9) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses.

*Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss.

*Derivative financial instruments*

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

### 3.17 HEDGE ACCOUNTING

The Group may designate certain derivatives as hedging instruments in respect of interest rate risk as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.



At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

### 3.18 SHARE CAPITAL

*Ordinary shares*

Ordinary shares are classified as equity. The bonus shares and rights issued during the year are shown as an addition to the share capital. Issue of bonus shares are deducted from the accumulated retained earnings of the Group. Any share premium on rights issues are accounted for in compliance with local statutory requirements.

*Dividend on ordinary share capital*

Dividend distributions to the Group's shareholders are recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the shareholders. Dividends for the year that are approved after the reporting date of the consolidated financial statements are considered as an event after the reporting date.

### 3.19 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Where the effect of the assumed conversion of the convertible notes and the exercise of all outstanding options have an anti-dilutive effect, basic and diluted EPS are stated at the same amount.

### 3.20 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

### 3.21 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured as a best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

*Decommissioning liability*

The Group recognises a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The Group records full provision for the future costs of decommissioning for network and other assets. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related network and other assets to the extent that it was incurred by the development/construction.

Changes in the estimated timing or cost of decommissioning are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to network and other assets. Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, the estimate for the revised value of network and other assets net of decommissioning provision exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the consolidated statement of profit or loss as a finance cost.

The Group recognises neither the deferred tax asset in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset.

*End of service benefits*

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

*Pensions and other post-employment benefits*

Pension costs under the Group's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, expected return on plan assets and annual rate of increase in compensation.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods,

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

### 3.21 PROVISIONS (cont.)

**Pensions and other post-employment benefits (cont.)**

discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

With respect to the Qatari nationals, the Company makes contributions to Qatar Retirement and Pension Authority as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions. The share of contributions to these schemes, which are defined contribution schemes under IAS – 19 'Employee Benefits' are charged to the consolidated statement of profit or loss.

***Long-term incentive plan***

The Group provides long term incentive points (the "benefit") to its employees under the long term incentive plan. The entitlement to these benefits is based on employee performance and the overall performance of the Group, subject to fulfilling certain conditions ("vesting conditions") under documented plan and is payable upon end of the vesting period (the "exercise date"). The benefit is linked to the performance of employees and the Group, and the Group proportionately recognises the liability against these benefits over the vesting period through the consolidated statement of profit or loss, until the employees become unconditionally entitled to the benefit.

The fair value of the liability is reassessed on each reporting date and any changes in the fair value of the benefit are recognised through the consolidated statement of profit or loss.

Once the benefit is settled in cash at the exercise date, the liability is derecognised. The amount of cash settlement is determined based on a number of factors including the number of incentive points awarded, the Group's operating performance based on predetermined targets and the Group's share price performance over the vesting period. On breach of the vesting conditions, the liability is derecognised through the consolidated statement of profit or loss.

### 3.22 FOREIGN CURRENCY TRANSACTIONS

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the financial reporting year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency differences arising on retranslation are recognised in the consolidated statement of profit or loss, except for differences arising on the retranslation of fair value through other comprehensive income which are recognised in other comprehensive income.

***Translation of foreign operations***

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Qatari riyals at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Qatari Riyals at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. However, if the operation is not a wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated statement of profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to consolidated statement of profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and presented in the translation reserve in equity.

### 3.23 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.24 SEGMENT REPORTING

Segment results that are reported to the Group's Chief Operating Decision Maker ("CODM") include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Financial information on operating segments is presented in note 45 to the consolidated financial statements.

### 3.25 EVENTS AFTER THE REPORTING DATE

The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting events are discussed in the consolidated financial statements when material.

### 3.26 ACCOUNTING FOR LEVIES

IFRIC 21 governs the accounting for levies that do not fall within the scope of IAS 12 "Income Taxes". The Group makes payments to certain regulatory bodies that are based on certain percentages of revenue and interconnection expenses from regulated activities. As such, management has assessed these payments to be in the scope of IFRIC 21, rather than IAS 12 and treated these payments as expenses in the statement of profit or loss.

### 3.27 ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment properties that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

## 4. REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following revenue streams. The disclosure of revenue by streams is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (see note 45).

| | 2023 QR. '000 | 2022 QR. '000 |
|---|---|---|
| Revenue from rendering of services | 21,438,246 | 21,114,169 |
| Sale of telecommunication equipment | 1,652,717 | 1,485,709 |
| Equipment rental revenue | 72,746 | 98,306 |
| | 23,163,709 | 22,698,184 |

| | 2023 QR. '000 | 2022 QR. '000 |
|---|---|---|
| At a point in time | 1,652,717 | 1,485,709 |
| Overtime | 21,510,992 | 21,212,475 |
| | 23,163,709 | 22,698,184 |

Notes

## Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2023

### 5. OTHER INCOME

| | 2023 QR. '000 | 2022 QR. '000 |
|---|---|---|
| Dividend income | - | 2,050 |
| Rental income | 36,691 | 35,178 |
| Miscellaneous income (i) | 634,839 | 158,190 |
| | 671,530 | 195,418 |

(i) A part of the regulatory tariff levied on mobile telecommunication operators in Kuwait by the Ministry of Communications since 26 July 2011 was invalidated by the Kuwait Court of Cassation in April 2017. Accordingly, the Group has contingent assets in the form of recovery of excess regulatory tariff paid. In March 2023, the Court of Cassation rendered its ruling in favour of the Group for a part of the contingent asset by enforcing Communication and Information Technology Regulatory Authority ("CITRA") and Ministry of Communication ("MOC") to compensate the company a sum of QR. 510 million (KD 43.8 million) for the period till August 2016. The Group completed the execution process and received the full amount of the judgement which has been recognised as "other income" in the consolidated statement of profit or loss during the period. The Group has already filed claims to recover remaining excess regulatory tariff for the period from August 2016 till date.

### 6. NETWORK, INTERCONNECT AND OTHER OPERATING EXPENSES

| | 2023 QR. '000 | 2022 QR. '000 |
|---|---|---|
| Outpayments and interconnect charges | 1,554,126 | 1,817,200 |
| Regulatory and related fees | 1,647,830 | 1,500,085 |
| Rentals and utilities | 687,712 | 705,552 |
| Network operation and maintenance | 1,811,375 | 1,537,695 |
| Cost of equipment sold and other services | 3,060,286 | 2,947,784 |
| Marketing costs and sponsorship | 385,606 | 645,603 |
| Commission on cards | 656,858 | 629,807 |
| Legal and professional fees * | 273,462 | 249,837 |
| Provision for obsolete and slow-moving inventories | 52,055 | 12,108 |
| Other expenses | 632,948 | 575,280 |
| | 10,762,258 | 10,620,951 |

*Legal and professional fees include fees for audit services amounting to QR. 6,485 thousand (2022: QR. 6,500 thousand) and fees for non-audit services amounting to QR. 1,583 thousand (2022: QR. 1,321 thousand).

### 7. DEPRECIATION AND AMORTISATION

| | 2023 QR. '000 | 2022 QR. '000 |
|---|---|---|
| Depreciation of property, plant and equipment | 2,935,585 | 2,962,834 |
| Depreciation of investment properties | 12,783 | 12,783 |
| Amortisation of intangible assets | 1,023,815 | 1,028,365 |
| Amortisation of right-of-use assets | 612,275 | 561,297 |
| | 4,584,458 | 4,565,279 |

### 8. FINANCE COSTS AND FINANCE INCOME

| | 2023 QR. '000 | 2022 QR. '000 |
|---|---|---|
| **Finance costs** | | |
| Interest on loans and borrowings | 557,503 | 708,322 |
| Amortisation of deferred financing costs (Note 29) | 24,323 | 39,579 |
| Interest on lease liabilities | 262,567 | 263,304 |
| Other finance costs | 16,170 | 21,168 |
| **Total finance costs** | 860,563 | 1,032,373 |
| **Finance income** | | |
| Interest income* | 325,459 | 266,883 |
| **Total finance income** | 325,459 | 266,883 |

*The interest income mainly comprises interest earned on term deposits.

### 9. OTHER GAINS / (LOSSES) – NET

| | 2023 QR. '000 | 2022 QR. '000 |
|---|---|---|
| Gain on sale of non-financial assets | 33,967 | 40,704 |
| Change in fair value of derivatives – net | (1,307) | 681 |
| Unrealised gain on equity investment at FVTPL | 80,809 | 52,069 |
| Foreign currency loss - net (i) | (277,013) | (3,077,354) |
| Gain on deconsolidation of a subsidiary (ii) | - | 2,571,881 |
| Gain on disposal of investment in associate (iii) | 139,173 | - |
| Miscellaneous loss - net | (17,709) | (58,152) |
| | (42,080) | (470,171) |

(i) Given the exchange controls implemented in Myanmar, management have applied their judgement in the determination of the 'spot rate'. Accordingly, the 'Central Bank of Myanmar published Bank Customer transactions weighted average rate' has been used to translate and record the US Dollar denominated balances at the end of the reporting period. The same rate was also used to translate the Ooredoo Myanmar Limited operations to the Group's presentation currency.

(ii) Merger between Indosat Ooredoo ("IO") and PT Hutchison 3 Indonesia.

On 4 January 2022, one of the subsidiaries of the Group namely IO completed a statutory merger with PT Hutchison 3 Indonesia ("H3I"), the Indonesian subsidiary of CK Hutchison Holdings Limited ("CKH").

The merger was approved by the shareholders on 28 December 2021. However, the remaining ministry approvals to finalise the merger deal (Minister of Law and Human Rights and Ministry of Communication and Informatics) were only received on 4 January 2022. Accordingly, the merger was completed as of that date, and the Group lost control over IO in which the Group had 65% shareholding via Ooredoo Asia - its fully owned subsidiary, when the new board of directors came into effect.

On the same day of merger closing, CK Hutchison Group acquired a 50% shareholding in Ooredoo Hutchison Asia ("OHA") (previously known as Ooredoo Asia). Following this restructuring, the Group and CK Hutchison Group each owns 50% of OHA, based on which Ooredoo Group and CK Hutchison Group now have joint control over 65.6% ownership stake in the merged company via OHA. The merger has resulted in the deconsolidation of IO and the recognition of the retained interest as investment in a joint venture with effective ownership of 32.8%.

| Below is the carrying amounts of IO's assets and liabilities as at the date of the merger: | QR. '000 |
|---|---|
| Property, plant and equipment | 8,560,998 |
| Intangible assets, goodwill and long-term prepayments | 5,477,053 |
| Right-of-use assets | 3,051,059 |
| Investment properties | 56,816 |
| Investment in associates and joint ventures | 71,309 |
| Financial assets – equity instruments | 96,716 |
| Other non-current assets | 634,429 |
| Deferred tax assets | 171,518 |
| Inventories | 4,628 |
| Contract costs | 21,393 |
| Trade and other receivables | 1,403,152 |
| Bank balances and cash | 1,044,340 |
| Assets held for sale | 300,492 |
| **Total Assets** | 20,893,903 |

## Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2023

### 9. OTHER GAINS / (LOSSES) – NET (cont.)

| Below is the carrying amounts of IO's assets and liabilities as at the date of the merger: | QR. '000 |
|---|---|
| Loans and borrowings | 4,343,615 |
| Employees' benefits | 118,695 |
| Lease liabilities | 4,336,974 |
| Deferred tax liabilities | 267,962 |
| Other non-current liabilities | 974,244 |
| Contract liabilities | 49,679 |
| Trade and other payables | 4,127,166 |
| Deferred income | 694,829 |
| Income tax payable | 4,999 |
| Liabilities directly associated with assets held for sale | 5,149 |
| Intercompany payables | 10,756 |
| **Total Liabilities** | **14,934,068** |
| **Net assets** | **5,959,835** |
| Non-controlling interest | (1,206,108) |
| **Carrying amount of net assets derecognised** | **4,753,727** |

| Below is the calculation of the gain on the deconsolidation: | QR. '000 |
|---|---|
| **Consideration received or receivable:** | |
| Fair value of retained interest in Ooredoo Hutchison Asia* | 5,916,347 |
| Cash received | 1,409,261 |
| **Total consideration** | **7,325,608** |
| Carrying amount of net assets derecognised | (4,753,727) |
| **Gain on sale before recycling of foreign currency translation reserve** | **2,571,881** |
| **Recycling of foreign currency translation reserve** | **(2,555,069)** |
| **Gain on deconsolidation** | **16,812** |

* The fair value of the retained interest in OHA is derived from the quoted price of merged entity Indosat Ooredoo Hutchison ("IOH")'s shares on the effective merger date with appropriate consideration and adjustment for a control premium. Management exercised judgement and the control premium applied was determined to be 40%, which is a level 2 valuation technique.

(iii) Meeza's Initial Public Offering ("IPO")

The IPO process of one of the Group's associates, namely Meeza, was concluded during the year and the shares started trading on the QSE effective 23 August 2023. As a result of the IPO, the Group's ownership in Meeza was reduced from 20% to 10% for a cash consideration of QR. 136 million, with the retained 10% interest fair valued at QR. 141 million on that day. Management carried out an assessment to determine if the Group still exercised significant influence over Meeza post IPO and reduction of its stake and it was concluded that such influence has been lost. Accordingly, the remaining stake is now classified as an equity investment at fair value through profit or loss.

Below is the calculation of the gain on the disposal:

| | QR. '000 |
|---|---|
| Consideration received or receivable: | |
| Fair value of retained interest in Meeza | 140,828 |
| Cash received | 136,438 |
| Total consideration | 277,266 |
| Carrying amount of investment | (138,093) |
| **Gain on disposal** | **139,173** |

### 10. ROYALTY FEES

| | 2023 QR. '000 | 2022* QR. '000 |
|---|---|---|
| Royalty | 238,348 | 249,306 |

In accordance with the terms of a license granted to Omani Qatari Telecommunications Company S.A.O.G. to operate telecommunication services in the Sultanate of Oman, Royalty is payable to the Government of the Sultanate of Oman, effective from March 2005. The royalty payable is calculated based on 12% of the net of predefined sources of revenue and interconnection expenses to local operators for mobile license and 10% for fixed license which is accounted for under IFRIC 21.

* Refer to note 49 for details regarding certain changes in comparative information.

### 11. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings for the period attributable to the shareholders of the parent by the weighted average number of shares outstanding during the year.

There were no potentially dilutive shares outstanding at any time during the year and, therefore, the dilutive earnings per share is equal to the basic earnings per share.

| | 2023 | 2022 |
|---|---|---|
| Profit for the year attributable to shareholders of the parent (QR.'000) | 3,015,878 | 2,360,234 |
| Weighted average number of shares (In '000) | 3,203,200 | 3,203,200 |
| Basic and diluted earnings per share (QR.) | 0.94 | 0.74 |

### 12. PROPERTY, PLANT AND EQUIPMENT

| | Land and buildings QR.'000 | Exchange and networks assets QR.'000 | Subscriber apparatus and other equipment QR.'000 | Capital work in progress QR.'000 | Total QR.'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 January 2022 | 2,860,754 | 38,381,958 | 5,307,409 | 1,969,881 | 48,520,002 |
| Additions | 14,890 | 844,575 | 103,589 | 1,668,176 | 2,631,230 |
| Transfers | 219,741 | 1,290,829 | 504,394 | (2,014,964) | - |
| Disposals | (25,564) | (317,709) | (75,439) | (58) | (418,770) |
| Reclassification | - | - | - | (97,552) | (97,552) |
| Exchange adjustment | (31,904) | (925,262) | (148,082) | (22,769) | (1,128,017) |
| **At 31 December 2022** | 3,037,917 | 39,274,391 | 5,691,871 | 1,502,714 | 49,506,893 |
| Additions | **29,668** | **622,675** | **150,174** | **1,900,853** | **2,703,370** |
| Transfers | **77,936** | **1,436,878** | **239,634** | **(1,754,448)** | **-** |
| Disposals | **(25,495)** | **(272,066)** | **(137,854)** | **(27)** | **(435,442)** |
| Reclassification | **-** | **45,999** | **1,189** | **(205,435)** | **(158,247)** |
| Exchange adjustment | **68,619** | **762,272** | **(110,826)** | **6,346** | **726,411** |
| **At 31 December 2023** | **3,188,645** | **41,870,149** | **5,834,188** | **1,450,003** | **52,342,985** |

Notes

## Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2023

### 12. PROPERTY, PLANT AND EQUIPMENT (cont.)

| | Land and buildings | Exchange and networks assets | Subscriber apparatus and other equipment | Capital work in progress | Total |
|---|---|---|---|---|---|
| | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 |
| **Accumulated depreciation** | | | | | |
| At 1 January 2022 | 1,479,174 | 27,658,904 | 4,513,260 | - | 33,651,338 |
| Provided during the year | 96,595 | 2,471,726 | 394,513 | - | 2,962,834 |
| Impairment during the year | - | - | (2,856) | - | (2,856) |
| Disposals | (17,534) | (313,057) | (75,014) | - | (405,605) |
| Reclassification | - | - | - | - | - |
| Exchange adjustment | (13,975) | (750,328) | (132,143) | - | (896,446) |
| **At 31 December 2022** | **1,544,260** | **29,067,245** | **4,697,760** | **-** | **35,309,265** |
| Provided during the year | **110,833** | **2,408,651** | **416,101** | **-** | **2,935,585** |
| Impairment during the year | **-** | **98,042** | **(155)** | **-** | **97,887** |
| Disposals | **(10,283)** | **(265,777)** | **(129,635)** | **-** | **(405,695)** |
| Reclassification | **-** | **7,990** | **-** | **-** | **7,990** |
| Exchange adjustment | **16,359** | **591,657** | **(115,820)** | **-** | **492,196** |
| **At 31 December 2023** | **1,661,169** | **31,907,808** | **4,868,251** | **-** | **38,437,228** |
| **Carrying value At 31 December 2023** | **1,527,476** | **9,962,341** | **965,937** | **1,450,003** | **13,905,757** |
| **At 31 December 2022** | **1,493,657** | **10,207,146** | **994,111** | **1,502,714** | **14,197,628** |

### 13. INTANGIBLE ASSETS AND GOODWILL

| | Licence costs | Goodwill | Customer contracts and related customer relationship | Trade names | Software and other intangibles | Total |
|---|---|---|---|---|---|---|
| | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 |
| **Cost** | | | | | | |
| At 1 January 2022 | 26,307,466 | 5,805,552 | 107,722 | 893,972 | 3,946,552 | 37,061,264 |
| Additions | 20,894 | - | - | - | 97,608 | 118,502 |
| Disposals | (3,642) | - | - | - | (37,969) | (41,611) |
| Reclassification | - | - | - | - | 97,552 | 97,552 |
| Exchange adjustment | (1,071,107) | (203,935) | (7,184) | (24,134) | 11,734 | (1,294,626) |
| **At 31 December 2022** | **25,253,611** | **5,601,617** | **100,538** | **869,838** | **4,115,477** | **35,941,081** |
| Acquisition of a subsidiary | **-** | **72,830** | **-** | **-** | **-** | **72,830** |
| Derecognition of licence cost | **(163,399)** | **-** | **-** | **-** | **-** | **(163,399)** |
| Additions | **155,443** | **-** | **-** | **-** | **117,723** | **273,166** |
| Disposals | **-** | **-** | **-** | **-** | **(8,299)** | **(8,299)** |
| Reclassification | **-** | **-** | **-** | **-** | **200,149** | **200,149** |
| Exchange adjustment | **(120,134)** | **50,942** | **5,029** | **36,006** | **11,371** | **(16,786)** |
| **At 31 December 2023** | **25,125,521** | **5,725,389** | **105,567** | **905,844** | **4,436,421** | **36,298,742** |

| | Licence costs | Goodwill | Customer contracts and related customer relationship | Trade names | Software and other intangibles | Total |
|---|---|---|---|---|---|---|
| | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 |
| Accumulated amortisation and impairment losses | | | | | | |
| At 1 January 2022 | 14,451,200 | 630,064 | 107,722 | 883,667 | 2,900,189 | 18,972,842 |
| Amortisation | 702,608 | - | - | 9,937 | 315,820 | 1,028,365 |
| Disposals | (3,642) | - | - | - | (34,864) | (38,506) |
| Exchange adjustment | (682,531) | (14,589) | (7,184) | (23,766) | 4,826 | (723,244) |
| **At 31 December 2022** | **14,467,635** | **615,475** | **100,538** | **869,838** | **3,185,971** | **19,239,457** |
| Amortisation | **719,325** | **-** | **-** | **-** | **304,490** | **1,023,815** |
| Impairment during the year | **-** | **524,974** | **-** | **-** | **-** | **524,974** |
| Disposals | **-** | **-** | **-** | **-** | **(8,299)** | **(8,299)** |
| Reclassification | **-** | **-** | **-** | **-** | **(7,990)** | **(7,990)** |
| Exchange adjustment | **(37,873)** | **2,169** | **5,029** | **36,006** | **6,925** | **12,256** |
| **At 31 December 2023** | **15,149,087** | **1,142,618** | **105,567** | **905,844** | **3,481,097** | **20,784,213** |
| **Carrying value At 31 December 2023** | **9,976,434** | **4,582,771** | **-** | **-** | **955,324** | **15,514,529** |
| **At 31 December 2022** | **10,785,976** | **4,986,142** | **-** | **-** | **929,506** | **16,701,624** |

(i) On 16 April 2023, the Group acquired through Iraq Al Mustaqbal for Communication and Internet Services and Electronic Service Ltd. (Iraq Al Mustaqbal), 49% of the shares of Masarat Al Iraq Information Technology Company Ltd. (Al Masarat), a limited liability company incorporated in Iraq with the license to provide fibre media and internet services as an Internet Service Provider (ISP).

The Group has determined that by virtue of majority representation on the Board of Directors, the Group controls Al Masarat. As a result, Al Masarat has been treated as a subsidiary and its financial statements are consolidated into Ooredoo Group consolidated financial statements from the acquisition date.

The acquired net assets of Al Masarat amount to QR. 579 thousand based on the carrying amount of net assets of Al Masarat as at the date of acquisition. The cost of business combination amounted to QR. 73,409 thousand with a resultant goodwill of QR. 72,830 thousand. The above amounts have been provisionally reflected in Ooredoo Group consolidated financial statements pending the completion of a Purchase Price Allocation (PPA) exercise to identify the fair value of identifiable assets and liabilities arising from the business combination.

**i) Impairment testing of goodwill**

Goodwill acquired through business combinations has been allocated to individual cash generating units (CGUs) for impairment testing as follows:

| | Carrying value 2023 | Carrying value 2022 |
|---|---|---|
| | QR.'000 | QR.'000 |
| Cash generating units | | |
| Ooredoo Kuwait | 579,506 | 582,218 |
| Ooredoo Algeria | 1,787,099 | 1,795,461 |
| Ooredoo Tunisia (Note 27) | 1,779,513 | 2,291,291 |
| Asiacell Communications PJSC | 322,478 | 275,690 |
| Others | 114,175 | 41,482 |
| | 4,582,771 | 4,986,142 |

Movement in the Goodwill carrying value is driven by impairment and exchange adjustments during the year. The Goodwill was tested for impairment as at 31 December 2023. The recoverable amount of the CGUs was determined based on value in use calculated using cash flows projections by management covering a period of five years.

**ii) Key Assumptions used in value in use calculations**

***Key Assumptions***

The principal assumptions used to determine value-in-use include long-term cash flows, discount rates, terminal value growth rate estimates, earnings before interest, taxes, depreciation, and amortisation ("EBITDA") growth rate and CAPEX. The assumptions are constructed based upon historic experience and management's best estimate of future trends and performance and take into account anticipated efficiency improvements over the forecasted period.

## 13. INTANGIBLE ASSETS AND GOODWILL (cont.)

***Discount rates***

Discount rates reflect management's estimate of the risks specific to each CGU. Discount rates are based on a weighted average cost of capital for each CGU and ranged from 9.8% to 24.4% (2022: 9.0% to 22.9%) In determining the appropriate discount rates for each CGU, the yield local market ten-year government bond is used, where available. If unavailable, yield on a ten-year US Treasury bond and specific risk factors for each country has been taken into consideration.

***Terminal value growth rate***

The business plans take into account local market considerations such as the revenues and costs associated with future customer growth, the impact of local market competition and consideration of the local macro-economic and political trading environment. The growth rate does not exceed the average long-term growth rate for the relevant markets and it ranges from 4.3% to 6.5% (2022: 4.3% to 6.5%).

***Earnings Before Interest, Taxes, Depreciation, and Amortisation***

The cash flow forecasts for budgeted EBITDA are derived from revenue, and the related cost of sales and operating expenses. The forecasts are mainly based on past experience and management's best estimate of future trends in the market including number of customers, penetrations, average revenue per users, new products and services.

***Budgeted Capex***

The cash flow forecasts for budgeted capital expenditure are based on past experience and include the ongoing capital expenditure required to continue rolling out networks in emerging markets, providing enhanced voice and data products and services, and meeting the population coverage requirements of certain licenses of the Group. Capital expenditure includes cash outflows for the purchase of property, plant and equipment and other intangible assets

***Long-term cash flows and working capital estimates***

The Group prepares cash flow forecasts for the next five years, derived from the most recent annual business plan approved by the Board of Directors.

At 31 December 2023, the discount rate used for Ooredoo Algeria was 14.59% (2022: 14.58%) and the terminal growth rate was 6.0% (2022: 6.5%). Management considers that changes to the discount rate and the terminal growth rate could cause the carrying value of the following CGUs to exceed their recoverable amount. If the discount rate is increased by 3.8% pp (2022: 3.6% pp) or if the terminal growth rate is decreased by 5.8% pp (2022: 5.4% pp) with all other variables held constant, the recoverable amount would equal the carrying value.

At 31 December 2023, if the discount rate used for Ooredoo Tunisia had been higher/lower by 0.5% with all other variables held constant, the impairment charge would have been QR. 142,292 thousand higher/QR. 159,329 thousand lower.

At 31 December 2023, the discount rate used for Ooredoo Kuwait was 9.79% (2022: 8.98%) and the terminal growth rate was 4.8% (2022: 5.1%). Management considers that changes to the discount rate and the terminal growth rate could cause the carrying value of the CGU to exceed their recoverable amount. If the discount rate is increased by 4.3% pp (2022: 3.6% pp) or if the terminal growth rate is decreased by 6% pp (2022: 4.6% pp) with all other variables held constant, the recoverable amount would equal the carrying value.

At 31 December 2023, the discount rate used for Asiacell Communications PJSC was 12.45% (2022: 12.35%) and the terminal growth rate was 4.6% (2022: 5.5%). Management considers that any reasonable changes to the discount rate and the terminal growth rate will not cause the carrying value of the CGUs to exceed the recoverable amount.

The calculation of the recoverable amount of the remaining CGUs include high headroom and management has assessed that any reasonable possible change in key assumptions in relation to these CGUs would not result in an impairment loss.

## 14. RIGHT-OF-USE ASSETS

| | Right-of-use assets | | | | |
|---|---|---|---|---|---|
| | Land and buildings | Exchange and networks assets | Subscriber apparatus and other equipment | Capital work in progress | Total |
| | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 |
| **Cost** | | | | | |
| At 1 January 2022 | 751,349 | 4,809,279 | 99,525 | 85,043 | 5,745,196 |
| Additions | 64,274 | 280,760 | 51,571 | 42,506 | 439,111 |
| Reduction on early termination | (5,001) | (40,134) | (1,004) | (17,432) | (63,571) |
| Exchange adjustment | (20,714) | (285,777) | (799) | (5,437) | (312,727) |
| At 31 December 2022 | 789,908 | 4,764,128 | 149,293 | 104,680 | 5,808,009 |
| | | | | | |
| Additions | **165,867** | **654,615** | **116,995** | **7,767** | **945,244** |
| Reduction on early termination | **(53,271)** | **(196,358)** | **(46,674)** | **(29,424)** | **(325,727)** |
| Exchange adjustment | **(13,664)** | **(299,455)** | **2,759** | **794** | **(309,566)** |
| **At 31 December 2023** | **888,840** | **4,922,930** | **222,373** | **83,817** | **6,117,960** |

| | Right-of-use assets | | | | |
|---|---|---|---|---|---|
| | Land and buildings | Exchange and networks assets | Subscriber apparatus and other equipment | Capital work in progress | Total |
| | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 |
| **Accumulated amortisation** | | | | | |
| At 1 January 2022 | 479,665 | 2,302,368 | 54,987 | 47,521 | 2,884,541 |
| Provided during the year | 94,897 | 432,889 | 17,344 | 16,167 | 561,297 |
| Reduction on early termination | (1,399) | (20,127) | (1,004) | (12,238) | (34,768) |
| Exchange adjustment | (9,487) | (178,574) | (261) | (2,666) | (190,988) |
| **At 31 December 2022** | **563,676** | **2,536,556** | **71,066** | **48,784** | **3,220,082** |
| | | | | | |
| Provided during the year | **104,153** | **458,555** | **33,228** | **16,339** | **612,275** |
| Reduction on early termination | **(50,028)** | **(145,075)** | **(47,450)** | **(17,747)** | **(260,300)** |
| Exchange adjustment | **2,424** | **(248,808)** | **1,385** | **416** | **(244,583)** |
| **At 31 December 2023** | **620,225** | **2,601,228** | **58,229** | **47,792** | **3,327,474** |
| **Carrying value** | | | | | |
| **At 31 December 2023** | **268,615** | **2,321,702** | **164,144** | **36,025** | **2,790,486** |
| **At 31 December 2022** | **226,232** | **2,227,572** | **78,227** | **55,896** | **2,587,927** |

Following the election of the Group not to recognise right-of-use assets and lease liabilities for short-term and low-value leases, QR. 28,251 thousand (2022: QR. 29,404 thousand) and QR. 2,755 thousand (2022: QR. 4,177 thousand), respectively, were recognised as expenses during the year. Moreover, variable lease payments which were recognised as expenses during 2023 amounted to QR. 15,570 thousand (2022: QR 18,379 thousand).

(i) Details about the key assumptions and the calculation of the impairment on goodwill and other non- financial assets are provided in note 27.

## 15. INVESTMENT PROPERTIES

| | 2023 | 2022 |
|---|---|---|
| | QR.'000 | QR.'000 |
| **Cost** | | |
| At 1 January | **330,565** | 336,471 |
| Exchange adjustment | **21,584** | (5,906) |
| At 31 December | **352,149** | 330,565 |
| Accumulated depreciation | | |
| At 1 January | **213,350** | 202,511 |
| Provided during the year | **12,783** | 12,783 |
| Exchange adjustment | **7,106** | (1,944) |
| **At 31 December** | **233,239** | 213,350 |
| **Carrying value At 31 December** | **118,910** | 117,215 |

Investment properties comprise the portion of the Group's headquarters building rented to a related party, in addition to properties not occupied by the Group and currently held for undetermined use.

There was a valuation exercise performed by an external valuer, independent valuers not connected with the Group. The valuation conforms to International Valuation Standards. Management believe that the fair value investment property is approximately QR. 349,526 thousand (2022: QR. 349,105 thousand), which is higher than the carrying value at reporting date. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties/other methods. The fair value hierarchy for valuation of investment property is categorised under level 2.

The property rental income earned by the Group from its investment properties, all of which is leased out under operating leases, amounted to QR. 36,691 thousand (2022: QR. 35,178 thousand).

## Notes to the Consolidated Financial Statements
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### 16. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

| Associate / Joint Venture companies | Principal activity | Classification | Country of incorporation | Effective ownership 2023 | Effective ownership 2022 |
|---|---|---|---|---|---|
| Navlink, Inc. | Managed Service Provider delivering technology solutions in the enterprise data market | Associate | United States of America | 40% | 40% |
| Asia Mobile Holdings Pte Ltd ("AMH") | Holding company | Associate | Singapore | 25% | 25% |
| MEEZA QSTP (Note 9) | Information technology Services | Associate | Qatar | - | 20% |
| Titan Bull Holdings Limited (i) | Holding Company | Associate | Cayman Islands | 18% | 18% |
| Monetix SPA (i) | Electronic Banking | Associate | Algeria | 19% | 19% |
| Ooredoo Hutchison Asia Pte. Ltd. | Holding company | Joint venture | Singapore | 50% | 50% |
| Asia Internet Holding S.a r.l., | Holding Company | Joint venture | Luxembourg | 50% | 50% |
| Intaleq Technology Consulting & Services W.L.L. | Technical services for Sports venues and events | Joint venture | Qatar | 55% | 55% |

(i) Although the Group holds less than 20% effective holding of equity shares of certain entities, the Group exercises significant influence by virtue of its contractual right to appoint directors to the board of directors of that entity.

The following table is the summarised financial information of the Group's investments in associates and joint ventures:

| | Ooredoo Hutchison Asia 2023 QR.'000 | Others 2023 QR.'000 | Total 2023 QR.'000 | Associates 2022 QR.'000 | Joint ventures 2022 QR.'000 | Total 2022 QR.'000 |
|---|---|---|---|---|---|---|
| Group's share of associates and joint ventures statement of financial position: | | | | | | |
| Current assets | 1,661,517 | 1,104,074 | **2,765,591** | 2,033,618 | 1,171,304 | **3,204,922** |
| Non-current assets | 11,902,169 | 2,368,582 | **14,270,751** | 11,407,542 | 2,563,426 | **13,970,968** |
| Current liabilities | (4,242,914) | (788,980) | **(5,031,894)** | (4,402,278) | (685,100) | **(5,087,378)** |
| Non-current liabilities | (7,694,376) | (2,095,729) | **(9,790,105)** | (7,639,508) | (2,284,267) | **(9,923,775)** |
| Net assets | 1,626,396 | 587,947 | **2,214,343** | 1,399,374 | 765,363 | **2,164,737** |
| Goodwill | 4,216,647 | 654,037 | **4,870,684** | 4,170,023 | 716,315 | **4,886,338** |
| Carrying amount of the investments | 5,843,043 | 1,241,984 | **7,085,027** | 5,569,397 | 1,481,678 | **7,051,075** |
| **Group's share of associates' and joint ventures' revenues and results:** | | | | | | |
| Revenues | 4,019,755 | 1,746,234 | **5,765,989** | 3,762,633 | 1,666,625 | **5,429,258** |
| Profit for the year | 385,761 | 11,944 | **397,705** | 406,430 | 15,753 | **422,183** |

The carrying amount of equity-accounted investments has changed as follows in the year ended 31 December 2023:

| | Ooredoo Hutchison Asia 2023 QR.'000 | Others 2023 QR.'000 | Total 2023 QR.'000 |
|---|---|---|---|
| **At 1 January** | 5,569,397 | 1,481,678 | **7,051,075** |
| Disposal (iii) | - | (138,093) | **(138,093)** |
| Share of results for the year | 385,761 | 11,944 | **397,705** |
| Other comprehensive income | 35,295 | 1,781 | **37,076** |
| Dividend received | (147,411) | (36,416) | **(183,827)** |
| Impairment (ii) | - | (78,909) | **(78,909)** |
| **At 31 December** | **5,843,042** | **1,241,985** | **7,085,027** |

In 2023, the Group received dividends from associates and joint ventures amounting to QR. 183,827 thousand (2022: QR. 157,534 thousand).

(i) As a result of the merger that took place on 4 January 2022 between IO and PT Hutchison 3 Indonesia (note 9.ii), the Group deconsolidated IO and recognised the retained interest as an investment in a joint venture.

(ii) The significant balance of investment in associates relates to Asia Mobile Holdings Pte Ltd. ("AMH"). As at 31 December 2023, the Group assessed its investment in AMH by comparing the recoverable amount (based on value in use calculations computed using cash flow projections) to the carrying value of the cash generating unit. The computations indicated that the recoverable amount of the investment is less than its carrying value and as a result an impairment charge of QR. 72 million has been reflected in the consolidated statement of profit or loss (note 27).

(iii) The IPO process of one of the Group's associates, namely Meeza, was concluded during the year following which the Group's stake reduced from 20% to 10% and the investment is now classified as an equity investment at fair value through profit or loss. Refer to note 9.iii for further details.

***Tax demand notices against Ooredoo Hutchison Asia***

As at the reporting date, one of the Group's joint ventures, Ooredoo Hutchison Asia was subject to tax demand assessments by the Indonesia Tax Authority for Value Added Tax (VAT) claims from years 2009 to 2018 for an amount of QR. 45 million; corporate tax claims for years 2007-2018 and withholding tax claims for years 2012-2019 amounting to QR. 600 million. The joint venture has applied its judgement and recognised provisions amounting to QR. 256 million in respect of these matters and has included contingent liabilities where economic outflows are considered possible but not probable. Pursuant to the IO and Hutchison Merger in January 2022, IOH has become an Associate entity and if any tax risk materialise, the impact on the Group is limited to its shareholding in this entity (32.82%).

The significant balance of investment in joint ventures relates to Ooredoo Hutchison Asia ("OHA"). During the year, management has performed impairment indicator assessment of OHA based on the currently available information. No such indicators were noted on the basis that the fair value of the Group's interest in Ooredoo Hutchison Asia derived from the quoted price of IOH's shares is higher than the carrying value as at 31 December 2023.

# Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2023

## 17. FINANCIAL ASSETS AT FAIR VALUE

| | 2023 QR.'000 | 2022* QR.'000 |
|---|---|---|
| Investment in equity instrument designated at FVTOCI | 487,886 | 629,385 |
| Financial assets measured at FVTPL | 478,497 | 257,009 |
| | 966,383 | 886,394 |

* Refer to note 49 for details regarding certain changes in comparative information.

The Group's financial assets comprise of investment in a telecommunication related company with fair value of QR. 420,296 thousand (2022: QR. 451,400 thousand), investment in venture capital funds and other private equity funds. The investment in hedge funds is accounted for at fair value through the statement of profit or loss (FVTPL).

Other investments are accounted for at fair value through other comprehensive income (FVTOCI). The Group has elected to designate these investments in equity instruments as at FVTOCI as these investments are held for medium to long-term strategic purposes and not held for trading.

Further, management believes that recognising short-term fluctuations in the fair value of these investments in the consolidated statement of profit or loss would not be consistent with the Group's strategy.

Refer to note 40 for related fair value information.

## 18. OTHER NON-CURRENT ASSETS

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| Long term advances and deposits (i) | 43,111 | 45,983 |
| Long-term prepayments (ii) | 54,510 | 64,850 |
| Advance made for the acquisition of property, plant and equipment | 35,110 | 30,816 |
| Contract assets | 79,876 | 54,387 |
| Others | 47,013 | 5,978 |
| | 259,620 | 202,014 |

(i) Mainly relates to long-term advances or deposits made in respect of property, plant and equipment.

(ii) Long term prepayments mainly relate to payments in advance for service arrangements with terms ranging from 5 to 15 years.

## 19. INCOME TAX AND OTHER TAX RELATED FEES

The income tax represents amounts recognised by the subsidiaries. The major components of the income tax expense for the year included in the consolidated statement of profit or loss are as follows:

| | 2023 QR.'000 | 2022* QR.'000 |
|---|---|---|
| **Current income tax** | | |
| Current income tax charge | 498,099 | 352,260 |
| Adjustment in respect of previous years' income tax | 21,632 | (38,584) |
| **Deferred income tax** | | |
| Relating to origination and reversal of temporary differences | 16,718 | 58,908 |
| **Other tax related expenses** | | |
| Industry fees (i) | 190,562 | 177,818 |
| Other statutory fees (ii) | 48,294 | 15,438 |
| **Income tax included in the consolidated statement of profit or loss** | 775,305 | 565,840 |

* Refer to note 49 for details regarding certain reclassifications.

(i) In accordance with its operating licenses for Public Telecommunications Networks and Services granted in Qatar by ICT QATAR, now referred to as the Communications Regulatory Authority (CRA), the Company is liable to pay to the CRA an annual industry fee which is calculated at 12.5% (2022: 12.5%) of net profit from regulated activities undertaken in Qatar pursuant to the licenses which is accounted for under IAS 12.

(ii) Contributions by National Mobile Telecommunications Company K.S.C.P. to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat represent levies/taxes imposed at the flat percentage of net profits attributable less permitted deductions under the prevalent respective fiscal regulations of the State of Kuwait which is accounted for under IAS 12.

The Company is not subject to income tax in the State of Qatar. The tax rate applicable to the taxable subsidiary Companies in the range of 10% to 39% (2022: 10% to 39%) For the purpose of determining the taxable results for the year, the accounting profit of the companies were adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense.

The adjustments are based on the current understanding of the existing laws, regulations and practices of each subsidiaries' jurisdiction. In view of the operations of the Group being subject to various tax jurisdictions and regulations, it is not practical to provide a detailed reconciliation between accounting and taxable profits together with the details of the effective tax rates. As a result, the reconciliation includes only the identifiable major reconciling items.

The reconciliation between tax expense and the product of accounting profit multiplied by the Group's effective tax rate is as follows:

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| **Profit before tax** | 4,286,841 | 3,326,748 |
| The Company and its subsidiaries that are not subject to corporate income tax | (2,076,244) | (1,579,678) |
| Accounting profit of subsidiaries and associates that are subject to corporate income tax | 2,210,597 | 1,747,070 |
| **Tax charge based on the Group's average income tax rate** | 391,860 | 303,434 |
| Add/(deduct): | | |
| Tax effect of expenses and income that are not subject to tax | (11,022) | (21,649) |
| Tax effect of income already subject to final tax | 30,087 | 42,354 |
| Tax effect of temporary differences from subsidiaries with losses that the Group currently does not expect to use | 63,744 | 74,053 |
| Tax effect of temporary difference due to leases | 3,175 | 7,580 |
| Tax effect of allowances, accruals and other temporary difference | 44,024 | (4,899) |
| Tax effect of depreciation – net | (23,220) | (36,856) |
| **Tax effect of unutilised tax losses brought forward** | (549) | (11,757) |
| **Current income tax charge at the effective income tax rate of 18% (2022: 18%)** | 498,099 | 352,260 |

### 19. INCOME TAX AND OTHER TAX RELATED FEES (cont.)

| | Consolidated statement of financial position | | Consolidated statement of profit | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | QR.'000 | QR.'000 | QR.'000 | QR.'000 |
| Accelerated depreciation / amortization for tax purposes | (55,678) | (38,326) | (19,339) | (77,486) |
| Losses available to offset against future taxable income | 1,995 | 3,076 | (1,081) | 1,081 |
| Allowances, accruals and other temporary differences | 302,294 | 317,134 | (12,359) | 17,613 |
| Lease liabilities | 46,522 | 23,984 | 16,061 | (116) |
| Deferred tax expense | - | - | (16,718) | (58,908) |
| **Deferred tax asset/deferred tax liability – net** | 295,133 | 305,868 | - | - |

| **Reconciliation of deferred tax assets:** | 2023 | 2022 |
|---|---|---|
| | QR.'000 | QR.'000 |
| At 1 January | 316,282 | 365,551 |
| Deferred tax income during the year | (881) | (48,494) |
| Exchange adjustment | 5,983 | (775) |
| **At 31 December** | 321,384 | 316,282 |

| **Reconciliation of deferred tax liability:** | 2023 | 2022 |
|---|---|---|
| | QR.'000 | QR.'000 |
| At 1 January | 10,414 | - |
| Deferred tax income during the year | 15,837 | 10,414 |
| **At 31 December** | 26,251 | 10,414 |

### 19.A PILLAR II

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two), and various governments around the world have issued, or are in the process of issuing, legislation on this. On 2 February 2023, Law No. 11 of 2022 was published which affirmed the State of Qatar's obligations with respect to combating international tax avoidance. The Law further stated that Executive Regulations specifying the necessary provisions to meet the State's obligations provided that the minimum tax rate is not less than 15%, will be issued in due course. Further the Group does not operate in any jurisdiction where a Pillar 2 legislation is enacted or substantially implemented as of 31 December 2023. Management is in the process of assessing the impact of Pillar 2 on the Group's consolidated financial statements.

### 20. CONTRACT COSTS

| | 2023 | 2022 |
|---|---|---|
| | QR.'000 | QR.'000 |
| Current | 222,674 | 213,224 |
| Non-Current | 166,026 | 156,521 |
| | 388,700 | **369,745** |

### 21. INVENTORIES

| | 2023 | 2022 |
|---|---|---|
| | QR.'000 | QR.'000 |
| Subscribers' equipment | 142,332 | 137,614 |
| Other equipment | 244,834 | 308,039 |
| Cables and transmission equipment | 96,616 | 87,368 |
| | 483,782 | 533,021 |
| Less: Provision for obsolete and slow moving inventories | (175,333) | (128,257) |
| | 308,449 | **404,764** |

Inventories consumed are recognised as expense and included under operating expenses. These amounted to QR. 1,952,683 thousand (2022: QR. 2,238,436 thousand).

Movement in the provision for obsolete and slow-moving inventories is as follows:

| | 2023 | 2022 |
|---|---|---|
| | QR.'000 | QR.'000 |
| **At 1 January** | 128,257 | 119,085 |
| Provided during the year | 52,055 | 12,108 |
| Amounts written off | (9,452) | (1,741) |
| Exchange adjustment | 4,473 | (1,195) |
| **At 31 December** | 175,333 | **128,257** |

### 22. TRADE AND OTHER RECEIVABLES

| | 2023 | 2022 |
|---|---|---|
| | QR.'000 | QR.'000 |
| Trade receivables – net of impairment allowances | 2,364,551 | 2,799,244 |
| Other receivables – net of impairment allowances and prepayments | 1,286,828 | 1,507,252 |
| Unbilled subscriber revenue – net of impairment allowances | 797,482 | 798,023 |
| Contract assets – net of impairment allowances | 155,257 | 159,285 |
| Amounts due from international carriers – net of impairment allowances | 482,394 | 506,839 |
| Positive fair value of derivative contracts | - | 2,308 |
| | 5,086,512 | **5,772,951** |

At 31 December 2023, trade receivables amounting to QR. 1,805,935 thousand (2022: QR. 1,557,232 thousand) were impaired and fully provided for.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's remaining different customer base.

## 22. TRADE AND OTHER RECEIVABLES (cont.)

| | Trade receivables – days past due | | | | | |
|---|---|---|---|---|---|---|
| 31 December 2023 | < 30 days QR.'000 | 30 – 60 days QR.'000 | 60-90 days QR.'000 | 90-365 days QR.'000 | > 365 days QR.'000 | Total QR.'000 |
| Expected credit loss rate | 5% | 7% | 8% | 31% | 78% | 43% |
| Gross carrying amount at default | 841,956 | 336,360 | 333,178 | 754,114 | 1,904,878 | 4,170,486 |
| Lifetime ECL | (39,995) | (24,142) | (27,012) | (231,954) | (1,482,832) | (1,805,935) |
| Carrying amount | 801,961 | 312,218 | 306,166 | 522,160 | 422,046 | 2,364,551 |

| | Trade receivables – days past due | | | | | |
|---|---|---|---|---|---|---|
| 31 December 2022 | < 30 days QR.'000 | 30 – 60 days QR.'000 | 60-90 days QR.'000 | 90-365 days QR.'000 | > 365 days QR.'000 | Total QR.'000 |
| Expected credit loss rate | 5% | 5% | 9% | 27% | 65% | 36% |
| Gross carrying amount at default | 790,890 | 437,888 | 263,844 | 1,014,383 | 1,849,471 | 4,356,476 |
| Lifetime ECL | (43,094) | (20,122) | (23,086) | (276,531) | (1,194,399) | (1,557,232) |
| Carrying amount | 747,796 | 417,766 | 240,758 | 737,852 | 655,072 | 2,799,244 |

Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 39.

## 23. BANK BALANCES AND CASH

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following items:

| | 2023 QR.'000 | 2022* QR.'000 |
|---|---|---|
| Bank balances and cash – net of impairment allowance (i, ii) | 11,462,695 | 13,231,901 |
| **Less:** | | |
| Deposits with maturity of more than three months (iii) | (742,079) | (370,710) |
| Restricted deposits (iv) | (600,817) | (437,829) |
| **Cash and cash equivalents as per consolidated statement of cash flows at 31 December (v)** | **10,119,799** | **12,423,362** |

* Refer to note 49 for details regarding certain reclassifications.

i) Bank balances and cash include deposits maturing after three months amounting to QR. 5,778,417 thousand (2022: QR. 8,331,959 thousand). The Group is of the opinion that these deposits are readily convertible to cash and are held to meet short-term commitments.

ii) Deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest on the respective deposit rates ranging from 1.24% to 10.9% (2022: 0.3% to 10.7%).

iii) Deposits with maturity of more than three months were reclassified from bank balances and cash.

iv) The restricted deposits primarily pertain to dividend payments, issuance of bank guarantees, related to a regulatory disputes and various other purposes (which are not considered individually significant). These restricted deposits are subject to regulatory and/or other restrictions and are therefore not available for general use by the Group.

v) Certain cash and cash equivalents are used as collateral to secure the Group's obligations.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries.

The Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the banks, the Group has recorded an impairment loss of QR. 2,106 thousand during the year ended 31 December 2023 (2022: QR. 776 thousand). Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 39.

***Non-cash transaction***

The principal non-cash transactions during the year ended 31 December 2023 comprise mainly of acquisition of property, plant, and equipment and intangible assts of QR. 832,416 thousand.

## 24. SHARE CAPITAL

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | No of shares ('000) | QR.'000 | No of shares ('000) | QR.'000 |
| **Authorised:** | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Ordinary shares of QR 1 each At 31 December | | | | |
| **Issued and fully paid up** | 3,203,200 | 3,203,200 | 3,203,200 | 3,203,200 |
| Ordinary shares of QR 1 each At 31 December | | | | |

## 25. RESERVES

**a) Legal reserve**

In accordance with Qatar Commercial Companies Law No. 11 of 2015, as amended by Law number 8 of 2021, and the Company's Articles of Association, 10% of the profit of the Company for the year should be transferred to the legal reserve until such reserves reach 50% of the issued share capital. During 2008, an amount of QR. 5,494,137 thousand, being the net share premium amount arising out of the rights issue, was transferred to legal reserve. During 2012, an amount of QR. 5,940,145 thousand, being the net share premium amount arising out of the rights issue, was transferred to legal reserve.

The reserve is not available for distribution except in the circumstances stipulated in the Qatar Commercial Companies Law and the Company's Articles of Association.

**b) Fair value and other reserves**

The fair value and other reserves comprise the cumulative net change in the fair value of financial assets– equity instruments at FVTOCI and effective portion of qualifying cash flow hedges.

The following tables shows the breakdown of the balance sheet line item 'Fair value and other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the tables.

| | Fair value reserve of investments classified as FVTOCI 2023 QR.'000 | Cash flow hedge reserve 2023 QR.'000 | Total 2023 QR.'000 | Fair value reserve of investments classified as FVTOCI 2022 QR.'000 | Cash flow hedge reserve 2022 QR.'000 | Total 2022 QR.'000 |
|---|---|---|---|---|---|---|
| At 1 January | 384,415 | (11,528) | 372,887 | 430,111 | (36,658) | 393,453 |
| Other comprehensive income | (89,066) | 931 | (88,135) | 33,021 | 25,130 | 58,151 |
| Realised gain on equity investment recycled to retained earnings | 27,715 | - | 27,715 | (78,717) | - | (78,717) |
| At 31 December | 323,064 | (10,597) | 312,467 | 384,415 | (11,528) | 372,887 |

**c) Employees' benefits reserve**

Employment benefits reserve is created on account of adoption of revised IAS – 19 Employee benefits. Employee benefits reserve comprises actuarial gains (losses) pertaining to defined benefit plans.

**d) Translation reserve**

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Effective 1 September 2021, the Group regards its loans and accrued interest receivable from one of its subsidiaries as an extension of its net investment. Consequently, exchange differences arising on the re-translation of these balances are recognised in other comprehensive income in the consolidated financial information as of that date.

**e) Other statutory reserves**

In accordance with the statutory regulations of the various subsidiaries, a share of their respective annual profits should be transferred to a non-distributable statutory reserve.

## 26. COMPONENTS OF OTHER COMPREHENSIVE INCOME

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| **Changes in fair value on investments in equity instruments designated as at FVTOCI** | | |
| (Loss) / gain arising during the year | (89,161) | 32,689 |
| **Cash Flow Hedges** | | |
| (Loss) / gain during the year | (1,701) | 5,205 |
| **Employment benefit Reserve** | | |
| Net movement in employees' benefits reserve | (2,790) | 124 |
| **Associates** | | |
| Share of net gain on cash flow hedges | 2,632 | 19,925 |
| **Translation Reserves** | | |
| Exchange differences arising on conversion of foreign operations | 868,926 | (963,013) |
| Recycled to the consolidated statement of profit or loss on deconsolidation of a subsidiary | - | 2,555,069 |
| | 868,926 | 1,592,056 |
| | 777,906 | 1,649,999 |

## 27. IMPAIRMENT LOSSES ON GOODWILL AND OTHER NON-FINANCIAL ASSETS

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| Impairment loss on investment in associates (i) | 78,909 | 196,164 |
| Impairment loss on Goodwill (ii) | 524,974 | - |
| Impairment loss / (reversal) on other non-financial assets (iii) | 97,887 | (2,856) |
| **Total** | 701,770 | 193,308 |

(i) During the year, the Group assessed its investment in associate (Asia Mobile Holdings Pte Ltd ("AMH")) by comparing the recoverable amount (based on value in use calculations computed using cash flow projections) to the carrying value of the cash generating unit. The computations indicated that the recoverable amount of the investment is less than its carrying value and as a result an impairment charge of QR. 72 million has been reflected in the consolidated statement of profit or loss.

(ii) During the year, and as a result of the most recent Ooredoo Tunisia performance against its budget, the Group reassessed its investment in Tunisia by comparing the recoverable amount (based on value in use calculations computed using cash flow projections) to the carrying value of the cash generating unit. The computations indicated that the recoverable amount of the investment is less than the carrying value and as a result an impairment charge of QR. 525 million has been reflected in the consolidated statement of profit or loss.

(iii) During the year, due to a vendor withdrawing from the Iraqi market, the related vendor's equipment in Asiacell's network which are no longer supported were scrapped and replaced. Consequently, the Group recorded an impairment loss amounting to QR. 81 million.

The Group has assessed the impact of the on-going war in Gaza on the property, plant and equipment. The Group has performed an assessment and accounted for an estimated impairment of QR. 17 million. As events in the Gaza Strip are still developing, the Group's management believes that it is still too early to quantify the impact and the losses with great precision. The Group will continue to evaluate the quantitative impact on its consolidated financial statements when it has more reliable and accurate information to estimate the impact more precisely. The Group continues to monitor the situation closely, including potential impacts on the employees, business results and operations.

## 28. DEFERRED INCOME

Deferred income pertains to unearned revenue from services that will be provided in future periods. It primarily includes revenue from the unused and unutilised portion of prepaid cards sold. The sale of prepaid cards is deferred until such time as the customer uses the airtime, or the credit expires.

## 29. LOANS AND BORROWINGS

Presented in the consolidated statement of financial position as:

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| **Non-current liabilities** | | |
| Secured loan | 78,035 | 40,711 |
| Unsecured loan | 131,934 | 1,969,573 |
| Bonds | 11,834,880 | 11,834,880 |
| Less: Deferred financing costs | (101,481) | (115,781) |
| **Total non-current liabilities** | 11,943,368 | 13,729,383 |
| **Current liabilities** | | |
| Secured loan | 32,288 | 31,709 |
| Unsecured loan | 319,444 | 355,086 |
| Bonds | - | 3,641,501 |
| Less: Deferred financing costs | (21,952) | (23,074) |
| Interest payable | 137,791 | 212,233 |
| **Total current liabilities** | 467,571 | 4,217,455 |
| **Total loans and borrowings** | 12,410,939 | 17,946,838 |

The deferred financing costs consist of arrangement and other related fees. Movement in deferred financing costs was as follows:

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| At 1 January | 138,855 | 177,750 |
| Additions during the year | 8,216 | - |
| Amortised during the year (Note 8) | (24,323) | (39,579) |
| **Exchange adjustment** | 685 | 684 |
| **At 31 December** | 123,433 | 138,855 |

| Type | Currency | Nominal Interest / Profit rate | Year of maturity | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|---|---|---|
| Bonds | USD | 2.63% to 5.00% | Oct'25 to Jan' 43 | 11,834,880 | 15,476,381 |
| Secured Loans | USD | 3M SOFR + 4.75% & fixed rate of 6.0% to 8.50% | Jun'24 to Apr'27 | 110,323 | 72,420 |
| Unsecured Loans | TND | TMM Rate + 1.50% | Jun'24 | 13,314 | 39,531 |
| Unsecured Loans | USD | Fixed rate of 1.53% to 7%, Bank Muscat FD rate +1.75%, 3M SOFR + 4.70% to 5% | Immediate to Nov'26 | 438,064 | 2,285,128 |
| | | | | 12,396,581 | 17,873,460 |
| **Less: Deferred financing costs** | | | | (123,433) | (138,855) |
| Interest payable | | | | 137,791 | 212,233 |
| **Total** | | | | 12,410,939 | 17,946,838 |

(i) Loans and borrowings are availed for general corporate and operational purposes, financing working capital requirements and repayment or refinancing of existing borrowing facilities.

(ii) Bonds are listed on Irish Stock Exchange. Certain bonds are unconditionally and irrevocably guaranteed by the Company.

### 29. LOANS AND BORROWINGS (cont.)

During the year, USD 1 billion bonds maturing in February 2023 were repaid to the bondholders.

Refer to note 40 for the fair value of the Group's loans and borrowings.

The fair value of the Group's loans and borrowings, which include loans and borrowings carried at fixed rates and floating rates, amounted to QR. 11,416,603 thousand as at 31 December 2023 (2022: QR. 17,194,009 thousand).

**Loan covenants:**

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenant:

• the net debt not to exceed 4.5 times the EBITDA.

The Group has complied with these covenants throughout the reporting period.

### 30. EMPLOYEES' BENEFITS

| | 2023<br>QR.'000 | 2022<br>QR.'000 |
|---|---|---|
| Employees' end of service benefits | 507,090 | 498,464 |
| Long term incentive points-based payments * | 225,359 | 212,405 |
| Total employee benefits | 732,449 | 710,869 |
| Current portion of long term incentive points-based payments (Note 32) | (122,607) | (86,125) |
| **Total** | 609,842 | 624,744 |

Movement in the provision for employees' benefits are as follows:

| | 2023<br>QR.'000 | 2022<br>QR.'000 |
|---|---|---|
| **At 1 January** | 710,869 | 662,905 |
| Provided during the year | 181,052 | 204,095 |
| Paid during the year | (164,221) | (153,376) |
| Exchange adjustment | 4,749 | (2,755) |
| **At 31 December** | 732,449 | 710,869 |

* The carrying amount of the liability arising from long term incentive points-based payments is determined by the achievement of certain performance targets and share price of the Company. As at the reporting date, the carrying amount of liability arising from long term incentive points-based payments approximates its fair value.

### 31. OTHER NON-CURRENT LIABILITIES

| | 2023<br>QR.'000 | 2022<br>QR.'000 |
|---|---|---|
| License cost payables (i) | 265,355 | 560,791 |
| Others (ii) | 86,272 | 107,810 |
| | 351,627 | 668,601 |

(i) License cost payables represent amounts payable to Telecom regulators in Iraq, Myanmar, and countries in which NMTC Group entities operate.

(ii) Others mainly include long-term procurement payables.

### 32. TRADE AND OTHER PAYABLES

| | 2023<br>QR.'000 | 2022*<br>QR.'000 |
|---|---|---|
| Trade payables | 1,322,588 | 1,291,486 |
| Accrued expenses (i) | 4,501,213 | 4,920,698 |
| Payables to Communication regulatory authority | 519,980 | 587,362 |
| Amounts due to international carriers - net (ii) | 378,025 | 499,927 |
| Negative fair value derivatives | 257 | - |
| License cost payable | 8,507 | 157,646 |
| Long term incentive points-based payments (Note 30) | 122,607 | 86,125 |
| Other payables (iii) | 786,281 | 573,159 |
| | 7,639,458 | 8,116,403 |

* Refer to note 49 for details regarding certain changes in comparative information.

(i) This mainly consists of accrual for operating and capital expenditure.

(ii) Amounts due to international carriers are offset against amounts due from international carriers and the net amount presented only where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(iii) Other payables mainly include dividend payables, deposits, and advances.

### 33. LEASE LIABILITIES

| | 2023<br>QR.'000 | 2022<br>QR.'000 |
|---|---|---|
| **At January 1** | 3,804,713 | 4,187,176 |
| Additions during the year | 945,244 | 439,111 |
| Interest expense on lease liability | 262,567 | 263,304 |
| Principal element of lease payments | (793,530) | (762,225) |
| Payment of interest portion of lease liability | (160,971) | (149,717) |
| Reduction on early termination | (54,953) | (32,179) |
| Exchange adjustments | (256,803) | (140,757) |
| At 31 December | 3,746,267 | 3,804,713 |
| | | |
| **Non-current portion** | 3,131,129 | 3,142,463 |
| **Current portion** | 615,138 | 662,250 |
| | 3,746,267 | 3,804,713 |

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored by the Group's treasury function.

| | 2023<br>QR.'000 | 2022<br>QR.'000 |
|---|---|---|
| **Maturity analysis** | | |
| Not later than 1 year | 840,865 | 932,672 |
| Later than 1 year and not later than 5 years | 2,778,985 | 2,963,484 |
| Later than 5 years | 1,158,060 | 1,323,490 |
| Less: unearned finance cost | (1,031,643) | (1,414,933) |
| | 3,746,267 | 3,804,713 |

## 34. CONTRACT LIABILITIES

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| Current | 53,375 | 64,072 |
| Non-current | 13,346 | 10,466 |
| | 66,721 | 74,538 |

A contract liability mainly arises in respect of the Group's customer loyalty points scheme ("loyalty points"). As these loyalty points provide a benefit to customers that they would not receive without entering into a purchase contract, the promise to provide loyalty points to the customer is a separate performance obligation. The revenue related to unsatisfied or partially satisfied performance obligations is expected to be realised within two years of the reporting date.

## 35. DIVIDEND

***Dividend paid and proposed***

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| Declared, accrued and paid during the year | 1,377,376 | 960,960 |
| Final dividend for 2022, QR. 0.43 (2021: QR. 0.30 per share) | | |
| Proposed for approval at Annual General Meeting (Not recognised as a liability as at 31 December) | 1,761,760 | 1,377,376 |
| Final dividend for 2023, QR. 0.55 per share (2022: QR. 0.43 per share) | | |

The proposed final dividend will be submitted for formal approval at the Annual General Meeting.

## 36. DERIVATIVE FINANCIAL INSTRUMENTS

**Derivatives not designated as hedging instruments**

The Group uses cross currency swap contracts, currency forward contracts and interest rate swaps to manage some of the currency transaction exposure and interest rate exposure. These contracts are not designated as cash flow, fair value or net investment hedges and are accounted for as derivative financial instruments:

| | Notional amounts | |
|---|---|---|
| | 2023 QR.'000 | 2022 QR.'000 |
| Currency forward contracts | 12,865 | 16,148 |

| | Fair values | |
|---|---|---|
| | 2023 Derivative Liabilities QR.'000 | 2022 Derivative Assets QR.'000 |
| Currency forward contracts | 257 | 608 |

The table below shows the fair values of derivative financial instruments held as cash flow hedges together with the notional amounts:

| | Derivative Assets QR.'000 | Notional Amounts QR.'000 |
|---|---|---|
| **31 December 2023** | - | - |
| Interest rate swaps | | |
| **31 December 2022** | 1,700 | 109,245 |
| Interest rate swaps | | |

## 37. OPERATING LEASE ARRANGEMENTS

At the date of statement of financial position, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| Future minimum lease payments in respect of short term and low value leases as at 31 December | 17,911 | 26,509 |

Upon adoption of IFRS 16, certain operating lease commitments were identified and considered. The leases are related to short term and low value leases.

## 38. COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATIONS

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| **Capital expenditure commitments** | | |
| Estimated capital expenditure contracted for at the end of the financial reporting year but not yet incurred | 1,322,836 | 1,455,255 |
| Letters of credit | 270,800 | 217,071 |

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| **Contingent liabilities** | | |
| Letters of guarantees | 949,304 | 750,240 |
| Claims against the Group not acknowledged as debts | 28,653 | 22,878 |

**Litigation and claims**

The Group is from time to time a party to various legal actions and claims arising in the ordinary course of its business. The Group does not believe that the resolution of these legal actions and claims will, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations, except as noted below.

***Tax exposure for Ooredoo Tunisia***

As at the reporting date, one of the Group's subsidiaries, Ooredoo Tunisia was subject to potential corporate income tax exposure for the years from 2018 to 2023 for an amount of QR. 145 million; potential registration duty exposure due to a new tax legislation that was implemented in 2013 for an amount of QR. 60 million. The subsidiary has applied its judgement and recognised provisions amounting to QR. 115 million in respect of these matters and has included contingent liabilities where economic outflows are considered possible but not probable.

***Proceedings against Asiacell relating to regulatory fee***

On 10 June 2014, the Communications and Media Commission ("CMC") issued a letter notifying Asiacell that the structure of the Company in relation to ownership of the shares in its capital does not fulfil the License requirements as an Iraqi Company to pay 15% of its gross revenue as a regulatory fee, as per license agreement and the CMC has instead demanded 18%. During 2022, whilst still disputing the matter, Asiacell, at the request of the CMC, started depositing the disputed amount of regulatory fees on a monthly basis covering the period until November 2022 amounting to QR. 1,210 million (USD 332 million). The amount disputed related to December 2022 was paid in January 2023 amounting to QR. 9 million (USD 2.4 million).

In October 2022, Asiacell received a letter from CMC requesting a late payment penalty of 4% relating to the 3% incremental regulatory fees that Asiacell paid for the periods 2011 to 2021. The claimed amount of the penalty is QR. 212 million (USD 58.5 million). Notwithstanding the payment of the 3% incremental regulatory fees, Asiacell management continues to claim that the fee is not legitimate based on the favorable court rulings and that the paid amount is only deposited with the CMC to secure the license renewal. Asiacell initiated a case against the CMC claiming that the CMC demand is illegal as the additional 3% license fee is unenforceable in view of the Court of Cassation decision. The Civil Court issued a stay order against the recovery of the late payment penalty amount. Asiacell then filed an enforcement petition before the enforcement office for execution of the said decision. CMC contested the petition but CMC's claims were dismissed by the enforcement office. Based on this, Asiacell is confident of a successful outcome in their case and has therefore not recorded any provision for this matter.

## 38. COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATIONS (cont.)

***Proceedings against Asiacell relating to Universal Services Fee ("USF")***

On 7 December 2017, the CMC issued letters notifying Asiacell and other operators in Iraq asking them to hold 1.5% of their 2017 Revenues (excluding local interconnection costs) as a USF ("USF"). Asiacell complied with the CMC request and has a full provision for the years 2017 to 2019 amounting to QR. 197.3 million (USD 49.1 million). In 2018, Asiacell received a second letter asking them to provision the 1.5% USF from the end of the second anniversary of the license term (2009). Management estimates the additional exposure in relation to this demand is approximately QR. 691 million (USD 190 million). Asiacell rejected the retroactive implementation of the USF on the grounds that it is illegal. Another operator in Iraq initiated a dispute against the CMC decision at the CMC Hearing Panel. In February 2021, the operator won the dispute with CMC in which the Appeal Panel stated that the CMC had no right to impose retroactive application of the new USF fees. Due to this, Asiacell in March 2021 initiated its own dispute proceeding at the CMC Hearing Panel. The Appeal Board issued a decision on 7 July 2022 whereby it returned Asiacell's appeal on technical grounds of format. Asiacell have written a letter to CMC alleging that CMC can't impose fees on one party and exclude other operators under the same terms of the license, filing a new case in the Hearing Panel. The Hearing Panel has rejected Asiacell's case and ACL has filed an appeal before the Appeal Panel which is pending adjudication as of 31 December 2023. Based on the precedent already set, supported by external legal opinion, Asiacell is confident of a successful outcome in their case and has therefore not recorded any provision for this matter.

***Proceeding against Asiacell relating to 4G Licence Quality of Service Fines***

In January 2021, Asiacell paid a licence extension fee for 4G and 3G licence for an 8-year period. The renewed licence contained an annex related to quality of service (QoS) that was not finalised a the time of the licence award. CMC has subsequently sought to introduce the QoS annex in the licence terms, which initiated discussions and workshops with CMC to modify the annex. In August 2023, the CMC issued two fines against Asiacell amounting to QR. 116 Mn (USD 32.6 Mn) for decline in QoS related to 4G services from the period March 2022 to February 2023. On 28 September 2023, an appeal was filed by Asiacell, which is currently pending adjudication. Asiacell, supported by external legal opinion, is confident of a successful outcome in this matter given CMC implicitly admitted that the QoS obligations are not in line with international standards. Therefore, Asiacell has not recorded any provision for this matter.

***Proceeding against Ooredoo Palestine***

On 23 October 2017, the Regulator issued a letter notifying Ooredoo Palestine to pay the second payment of the license acquisition fee of QR. 291 million (USD 80 million) due to the fact that Ooredoo Palestine reached 700 thousand subscribers. The license sets up a third license payment of QR. 488 million (USD 134 million) when Ooredoo Palestine reaches 1 million subscribers.

In September 2019, the Minister of Finance and Minister of Telecom and IT (MTIT) issued a letter notifying Ooredoo Palestine to pay QR. 781 million (USD 214 million) which is the remaining unpaid second and third payment of the license fee. These second and third payments are subject to the assignment of the 2G and 3G spectrum and the actual launch of these services in the West Bank and Gaza.

Management have applied their judgement for these claims. Management, supported by their external legal advisors, is of the view that Ooredoo Palestine has strong grounds to defend these claims. As a result, management has not recorded any provision for these claims.

***Algeria Central Bank against Ooredoo Algeria***

In late 2016, Algeria Central Bank ("ACB") conducted a review of Ooredoo Algeria money transfers outside Algeria and currency exchange. The review claims that Ooredoo Algeria has committed money transfer and foreign exchange regulations violations during 2013-2014. Accordingly, in December 2018, Algeria's public prosecution along with the Algerian Ministry of Finance initiated a criminal investigation against Ooredoo Algeria. The investigation includes 15 misdemeanour cases against Ooredoo Algeria in relation to money transfer from the Company's export bank account and roaming repatriation of funds without complying with the central bank's processes. The criminal court sentenced the company to pay a total of QR. 305 million (USD 83 million) in fines and compensation.

The company has provided QR. 29 million (USD 8 million) provision related to the export bank account violations (14 cases). The company appealed the decision to the Court of Cassation.

The net exposure amounting to QR. 276 million (USD 75 million) is related to the roaming repatriation case. During 2020, the company appealed the case to the Supreme court. The company, supported by external legal opinion, believes that it will more likely than not win the case in the Court of Cassation. As a result, the company did not provide for this exposure.

***Other matters***

In addition to the above matters, as at 31 December 2023, there were a number of legal, regulatory and tax disputes ongoing in various of the Group's operating entities, the outcome of which may not be favourable to the Group, and none of which are considered individually material. The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

## 39. FINANCIAL RISK MANAGEMENT

**Objectives and policies**

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, finance leases, and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, investments and cash and short-term deposits, which arise directly from its operations.

The Group also enters into derivative transactions, primarily interest rate swaps, cross currency swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are market risk, credit risk, liquidity risk and operational risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

**Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Group's profit, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimising return.

**Interest rate risk**

The Group's financial assets and liabilities that are subject to interest rate risk comprise bank deposits, loans receivable, investment measured at fair value through other comprehensive income, loans payables and borrowings. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial assets and liabilities with floating interest rates and fixed interest instruments maturing within three months from the end of the financial reporting year.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional amount. The swaps are designated to hedge underlying debt obligations. At 31 December 2023, after taking into account the effect of interest rate swaps, approximately 98% of the Group's borrowings are at a fixed rate of interest (2022: 89%).

The following table demonstrates the sensitivity of the consolidated statement of profit or loss and equity to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the consolidated statement of profit or loss and equity is the effect of the assumed changes in interest rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

| | Effect on consolidated statement of profit or loss | Effect on consolidated statement of changes in equity |
|---|---|---|
| | +25bp | +25 bp |
| | QR.'000 | QR.'000 |
| **At 31 December 2023** | | |
| USD LIBOR | **(202)** | - |
| Others | **(363)** | - |
| **At 31 December 2022** | | |
| USD LIBOR | (4,707) | - |
| Others | (138) | - |

The Group has closely monitored the market and the output from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by the IBOR regulators.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investment in foreign subsidiaries.

The Group had the following significant net exposure denominated in foreign currencies.

## 39. FINANCIAL RISK MANAGEMENT (cont.)

| | Assets (Liabilities) | Assets (Liabilities) |
|---|---|---|
| | 2023 | 2022 |
| | QR.'000 | QR.'000 |
| Kuwaiti Dinar (KD) | 23,904 | 23,366 |
| US Dollars (USD) | (1,680,639) | (2,100,111) |
| Euro (EUR) | (81,344) | 52,871 |
| Great British Pounds (GBP) | (650) | (712) |
| Algerian Dinar (DZD) | 10,424 | 9,161 |
| Others | 14,658 | 18,169 |

The following table demonstrates the sensitivity to consolidated statement of profit or loss and equity for a reasonably possible change in the following currencies against Qatari Riyal, with all other variables held constant, of the Group's profit due to changes in the fair value of monetary assets and liabilities and the Group's equity on account of translation of foreign subsidiaries.

The effect of decreases in foreign exchange rates is expected to be equal and opposite to the effect of the increases shown:

| | Effect on profit or loss | |
|---|---|---|
| | + 10% | + 10% |
| | 2023 | 2022 |
| | QR.'000 | QR.'000 |
| Kuwaiti Dinar (KD) | 2,390 | 2,337 |
| US Dollar (USD) | (168,064) | (210,011) |
| Euro (EUR) | (8,134) | 5,287 |
| Great British Pounds (GBP) | (65) | (71) |
| Algerian Dinar (DZD) | 1,042 | 916 |

**Equity price risk**

The Group is not significantly exposed to equity price risk as the balance of the investments held by the Group and classified either as investment in equity instruments designated at FVTOCI or Financial assets measured at FVTPL is not material.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group provides telecommunication services to various customers. It is the Group's policy that all customers who obtain the goods and / or services on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the purchase of service limits are established for each customer, which are reviewed regularly based on the level of past transactions and settlement.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables, unbilled subscriber revenue and contract assets. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

To measure the expected credit losses, trade receivables, unbilled subscriber revenue and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for the current trade receivables are a reasonable approximation of the loss rates for the unbilled subscriber revenue and contract assets.

For the unbilled subscriber revenue and contract assets, the provision for loss allowance amounted to QR. 53,985 thousand (2022: QR. 55,406 thousand).

Refer to note 22 for the aging and loss rates of trade receivables.

Unimpaired receivables are expected on the basis of past experience to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majorities are therefore, unsecured.

The average credit period on sales of goods and rendering of services varies from 30 to 90 days depending on the type of customer and local market conditions. No interest is charged on outstanding trade receivables.

Management has assessed that any reasonable possible change in the key assumptions in relation to the provision for loss allowance would not result in a material impact.

The Group applies the general model approach to measure expected credit losses for other receivables, cash and bank balances (excluding cash on hand) and due from related parties.

***Credit risk measurement***

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

– internal credit rating;

– external credit rating (as far as available);

– actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;

– actual or expected significant changes in the operating results of the borrower;

– significant increases in credit risk on other financial instruments of the same borrower;

– significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and

– significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 to 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

***Credit risk grades***

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

While other receivables and due from related parties are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The exposure of credit risk from amounts due from international carriers is minimal as the amounts are driven by contractual arrangements with other telecom operators.

With respect to credit risk arising from the cash and bank balances (excluding cash on hand), the Group's exposure arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group reduces the exposure to credit risk arising from bank balances by maintaining bank accounts in reputed banks.

The Group reduces the exposure to credit risk arising from bank balances by maintaining the bank accounts primarily with investment grade banks. As on 31 December 2023, 76% (2022: 82%) of bank balances were maintained with banks having a credit rating of AAA to A-, 5% (2022:6%) of bank balances were maintained with banks having a credit rating of BBB+ to BBB- and 19% (2022: 12%) of bank balances were maintained with banks having a credit rating of BB+ and below.

The below table shows the collective assessment of movement in lifetime ECL that has been recognised for financial instruments:

| | 2023 | 2022 |
|---|---|---|
| | QR.'000 | QR.'000 |
| Balance as at 1 January | 1,863,347 | 1,845,886 |
| Charge for the year | 431,550 | 192,526 |
| Amounts written off | (179,792) | (89,623) |
| Amounts recovered | (11) | (58,130) |
| Foreign exchange gains and losses | 26,024 | (27,312) |
| **Balance as at 31 December** | 2,141,118 | 1,863,347 |

## 39. FINANCIAL RISK MANAGEMENT (cont.)

Credit risk arising from derivative financial instruments is at any time, limited to those with derivative assets, as recorded on the consolidated statement of financial position. With gross settled derivatives, the Group is also exposed to settlement risk.

The carrying amount of the Group's financial assets at FVTPL and FVTOCI, as disclosed in note 17, has no credit risk. The Group holds no collateral over any of these balances.

**Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. Considering the Group's large and unrelated customer base, the concentration of credit risk is limited.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of the Group's own reserves and bank facilities. The Group's terms of sales require amounts to be paid within 30 to 90 days from the invoice date.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments:

| | Less than 1 year | 1 to 2 years | 2 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 |
| **At 31 December 2023** | | | | | |
| Loans and borrowings | 970,802 | 3,346,623 | 4,444,135 | 6,889,266 | **15,650,826** |
| Trade payables | 1,322,588 | - | - | - | **1,322,588** |
| License costs payable | 8,507 | 8,507 | 206,091 | 305,525 | **528,630** |
| Lease liabilities | 840,865 | 1,164,104 | 1,614,881 | 1,158,060 | **4,777,910** |
| Other financial liabilities | 500,889 | 102,752 | - | - | **603,641** |
| **Total** | **3,643,651** | **4,621,986** | **6,265,107** | **8,352,851** | **22,883,595** |
| **At 31 December 2022** | | | | | |
| Loans and borrowings | 4,629,603 | 1,767,780 | 6,314,541 | 8,922,817 | **21,634,741** |
| Trade payables | 1,291,486 | - | - | - | **1,291,486** |
| License costs payable | 184,063 | 122,887 | 165,178 | 438,756 | **910,884** |
| Lease liabilities | 932,672 | 1,223,290 | 1,740,194 | 1,323,490 | **5,219,646** |
| Other financial liabilities | 586,052 | 126,280 | - | - | **712,332** |
| **Total** | 7,623,876 | 3,240,237 | 8,219,913 | 10,685,063 | **29,769,089** |

**Capital management**

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2023 and 31 December 2022.

Equity includes share capital, legal reserve, other statutory reserves and retained earnings and they are measured at QR. 30,574,352 thousand at 31 December 2023 (2022: QR. 28,156,444 thousand).

The Group's management reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The gearing ratio as at 31 December 2023 is 15% (2022: 30%).

***Gearing ratio***

The gearing ratio at year end was as follows:

| | 2023 | 2022 |
|---|---|---|
| | QR.'000 | QR.'000 |
| Debt (i) | **16,157,206** | 21,751,551 |
| Cash and bank balances | **(11,462,695)** | (13,231,901) |
| Net debt | **4,694,511** | 8,519,650 |
| Equity (ii) | **30,574,352** | 28,156,444 |
| Net debt to equity ratio | **15%** | **30%** |

(i) Debt is the long-term debt obtained and lease liabilities, as detailed in note 29 and 33, respectively.

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

## 40. FAIR VALUES OF FINANCIAL INSTRUMENTS

**Fair values**

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements:

| | Carrying amounts | | Fair values | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | QR.'000 | QR.'000 | QR.'000 | QR.'000 |
| **Financial assets** | | | | |
| Financial assets at fair value | **966,383** | 886,394 | **966,383** | 886,394 |
| Trade and other receivables | **3,799,684** | 4,265,699 | **3,799,684** | 4,265,699 |
| Bank balances and cash | **11,462,695** | 13,231,901 | **11,462,695** | 13,231,901 |
| **Financial liabilities** | | | | |
| Loans and borrowings | **12,410,939** | 17,946,838 | **11,416,603** | 17,194,009 |
| Other non-current liabilities | **265,355** | 560,791 | **265,355** | 560,791 |
| Derivative financial instruments | **257** | - | **257** | - |
| Long term incentive points-based payments | **225,359** | 212,405 | **225,359** | 212,405 |
| Trade and other payables | **3,015,381** | 3,109,580 | **3,015,381** | 3,109,580 |

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. At the end of the reporting period, the carrying amounts of such receivables, net of allowances, approximate their fair values.
- Fair value of quoted investments is based on price quotations at the end of the reporting period. The fair value of loans from banks and other financial debts, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates applicable for similar risks and maturity profiles. Fair values of unquoted financial assets are estimated using appropriate valuation techniques.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward, contracts for differences and currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counter parties, foreign exchange spot and forward rates and interest rate curves.

## 40. FAIR VALUES OF FINANCIAL INSTRUMENTS (cont.)

**Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities at 31 December 2023 and 2022:

| | 31 December 2023<br>QR.'000 | Level 1<br>QR.'000 | Level 2<br>QR.'000 | Level 3<br>QR.'000 |
|---|---|---|---|---|
| **Assets:** | | | | |
| **Financial assets measured at fair value:** | | | | |
| FVTOCI | 487,886 | 1,247 | 11,695 | 474,944 |
| FVTPL | 478,497 | 478,228 | 269 | - |
| | 966,383 | 479,475 | 11,964 | 474,944 |
| **Liabilities:** | | | | |
| **Other financial liabilities measured at fair value** | | | | |
| Derivative financial instruments | 257 | - | 257 | - |
| **Other financial liability for which fair value is disclosed** | | | | |
| Loans and borrowings | 11,416,603 | - | 10,854,824 | 561,779 |
| | 11,416,860 | - | 10,855,081 | 561,779 |

| | 31 December 2022<br>QR.'000 | Level 1<br>QR.'000 | Level 2<br>QR.'000 | Level 3<br>QR.'000 |
|---|---|---|---|---|
| **Assets:** | | | | |
| Financial assets measured at fair value: | | | | |
| FVTOCI | **629,385** | 1,375 | 13,040 | 614,970 |
| FVTPL | **257,009** | 255,938 | 1,071 | - |
| Derivative financial instruments | **2,308** | - | 2,308 | - |
| | **888,702** | 257,313 | 16,419 | 614,970 |
| **Liabilities:** | | | | |
| **Other financial liability for which fair value is disclosed** | | | | |
| Loans and borrowings | **17,194,009** | - | 14,796,067 | 2,397,942 |
| | **17,194,009** | - | 14,796,067 | 2,397,942 |

There is no transfer from Level 1, 2 and 3 during the financial period.

At 31 December 2023, the Group has notes with a fair value of QR. 10,854,824 thousand (2022: QR. 14,796,067 thousand). The notes are listed on the Irish bond market and the fair value of these instruments is determined by reference to quoted prices in this market. The market for these bonds is not considered to be liquid and consequently the fair value measurement is categorised within level 2 of the fair value hierarchy. In addition, the Group has bank loans with a fair value of QR. 561,779 thousand (2022: QR. 2,397,942 thousand) within level 3 of the fair value hierarchy.

For fair value measurements categorised within Level 2 and 3 of the fair value hierarchy, the fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observables prices exist and other valuation techniques. Valuation techniques incorporate assumptions regarding discount rates, estimates of future cash flows and other factors.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements for the individually significant investment:

| Description | Investment name | Fair value at 31 December 2023<br>QR.'000 | Unobservable inputs | Value of inputs | Relationship of unobservable |
|---|---|---|---|---|---|
| Investment in a telecommunication related company classified as FVTOCI | Arabsat | 420,296 | EV/EBITDA | 7.5873 times | A change in the EV/EBITDA by 10% would increase / decrease the fair value by QR. 38,774 thousand. |

## 41. RELATED PARTY DISCLOSURES

**Related party transactions and balances**

Related parties represent associated companies including Government and semi-Government agencies, associates, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. In the ordinary course of business, the Group enters into transactions with related parties. Pricing policies and terms of transactions are approved by the Group's management. The Group enters into commercial transactions with Government related entities in the ordinary course of business in terms of providing telecommunication services, placement of deposits and obtaining credit facilities etc.

**a) Transactions with Government and related entities**

As stated in Note 1, Qatar Investment Authority is the Parent Company of the Group. The Group enters into commercial transactions with the Qatar Government and other Government related entities in the ordinary course of business, which includes providing telecommunication services, placement of deposits and obtaining credit facilities. All these transactions are in the ordinary course of business at normal commercial terms and conditions. Following are the significant balances and transactions between the Company and the Qatar Government and other Government related entities.

i) Trade receivables-net of impairment include an amount of QR. 706,246 thousand (2022: QR. 832,447 thousand) receivable from Government and Government related entities.

ii) The most significant amount of revenue from a Government related entity amounted to QR. 105,237 thousand (2022: QR. 137,059 thousand).

iii) Industry fee (Note 19) pertains to the industry fee payable to CRA, a Government related entity.

In accordance with IAS 24 Related Party Disclosures, the Group has elected not to disclose transactions with the Qatar Government and other entities over which the Qatar Government exerts control, joint control or significant influence. The nature of transactions that the Group has with such related parties relates to provision of telecommunication services on normal commercial terms and conditions.

**b) Transactions with Directors and other key management personnel**

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility of planning, directing and controlling the activities of the Group.

Director's remuneration of QR.18,400 thousand was proposed for the year ended 31 December 2023 (2022: QR. 14,400 thousand). The compensation and benefits related to Board of Directors and key management personnel amounted to QR. 260,595 thousand for the year ended 31 December 2023 (2022: QR. 279,295 thousand), and end of service benefits QR. 17,385 thousand for the year ended 31 December 2023 (2022: QR. 11,569 thousand). The remuneration to the Board of Directors and key management personnel has been included under the caption "Employee salaries and associated costs".

## 42. PROVISIONS

Movements in each class of provision during the financial year are set out below:

| | Site restoration Provision 2023 | Legal, regulatory, and other provisions 2023 | Total 2023 | Site restoration Provision 2022* | Legal, regulatory, and other provisions 2022* | Total 2022* |
|---|---|---|---|---|---|---|
| | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 |
| Opening balance | 206,324 | 274,328 | **480,652** | 211,530 | 368,277 | 579,807 |
| Additional provision during the year | 40,780 | (4,779) | **36,001** | 5,699 | 197,397 | 203,096 |
| Reversal of provisions | (27,162) | (3,859) | **(31,021)** | (10,639) | (34,186) | (44,825) |
| Utilisation of provision / Payment | - | (5,760) | **(5,760)** | (776) | (236,801) | (237,577) |
| Unwinding of discount | 1,412 | - | **1,412** | 3,378 | - | 3,378 |
| Exchange adjustment | (2,303) | 540 | **(1,763)** | (2,868) | (20,359) | (23,227) |
| | **219,051** | **260,470** | **479,521** | **206,324** | **274,328** | **480,652** |
| **Non-current** | 217,669 | - | **217,669** | 205,740 | - | 205,740 |
| **Current** | 1,382 | 260,470 | **261,852** | 584 | 274,328 | 274,912 |
| | **219,051** | **260,470** | **479,521** | **206,324** | **274,328** | **480,652** |

(i) legal, regulatory, and other provisions include provisions relating to certain legal, commercial, and other regulatory related matters, including provisions relating to certain Group subsidiaries. Refer to note 38 for details on the material claims and litigations.
* Refer to note 49 for details regarding certain changes in comparative information.

## 43. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements in compliance with IFRS Accounting Standards requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

**Revenue recognition**

Revenue recognition under IFRS 15 necessitates the collation and processing of very large amounts of data, use of management judgements and estimates to produce financial information. The most significant accounting judgements and source of estimation uncertainty are disclosed below.

**Judgements in determining the timing of satisfaction of performance obligations**

Per note 4, the Group generally recognises revenue over time as it performs continuous transfer of control of these services to the customers. Because customers simultaneously receive and consume the benefits provided by these services and the control transfer takes place over time, revenue is also recognised based on the extent of service transfer/completion of transfer of each performance obligation. In determining the method for measuring progress for these POs, we have considered the nature of these services as well as the nature of its performance.

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

In making their judgement, the directors considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Group had transferred control of the goods to the customer. Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs. However, the determination of obligations is, for the primary goods and services sold by the Group, not considered to be a critical accounting judgement.

**Principal versus agent**

Significant judgements are made by management when concluding whether the Group is transacting as an agent or a principal. The assessment is performed for each separate revenue stream in the Group. The assessment requires an analysis of key indicators, specifically whether the Group:

- carries any inventory risk;
- has the primary responsibility for providing the goods or services to the customer;
- has the latitude to establish pricing; and
- bears the customer's credit risk.

Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners. Scenarios requiring judgement to determine whether the Group is a principal or an agent include, for example, those where the Group delivers third-party branded services (such as value added services or TV content) to customers and mobile money service.

**Determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension and termination options are included in several leases across various classes of right-of-use assets across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In cases where lease contracts have indefinite term or are subject to auto renewal, lease term is determined considering the business case and reasonably certain renewal of lease.

As a lessee, optional periods are included in the lease term if the Group is reasonably certain it will exercise an extension option or will not exercise a termination option; this depends on an analysis by management of all relevant facts and circumstances including the leased asset's nature and purpose, the economic and practical potential for replacing the asset and any plans that the Group has in place for the future use of the asset. Where a leased asset is highly customised (either when initially provided or as a result of leasehold improvements) or it is impractical or uneconomic to replace then the Group is more likely to judge that lease extension options are reasonably certain to be exercised. The value of the right-of-use asset and lease liability will be greater when extension options are included in the lease term.

The lease terms can vary significantly by type and use of asset and geography. In addition, the exact lease term is subject to the non-cancellable period and rights and options in each contract. Generally, lease terms are judged to be the longer of the minimum lease term and:

- Between 5 and 10 years for land and buildings (excluding retail), with terms at the top end of this range if the lease relates to assets that are considered to be difficult to exit sooner for economic, practical or reputational reasons.
- The customer service agreement length for leases of local loop connections or other assets required to provide fixed line services to individual customers.

In most instances the Group has options to renew or extend leases for additional periods after the end of the lease term which are assessed using the criteria above.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

**Estimates**

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Impairment of non-financial assets**

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist.

The factors that the Group considers important which could trigger an impairment review include the following:

- significant or prolonged decline in the fair value of the asset;
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the asset's value in use and decrease the asset's recoverable amount materially;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Group determines an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount has been determined based on value in use calculations.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit being tested. The recoverable amount of investment is determined based on the net present value of future cash flows, management assumptions made, including management's expectations of the investment's:

## 43. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont.)

- growth in earnings before interest, tax, depreciation and amortisation ("EBITDA"), calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditures;
- long term growth rates ranges during discrete period and terminal period;
- long-term cash flows and working capital estimates; and
- selection of discount rates to reflects the risks involved.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Refer to note 16 for the impairment assessment for investment in an associate.

In the case of goodwill and intangible assets with indefinite lives, at a minimum, such assets are subject to an annual impairment test and more frequently whenever there is an indication that such asset may be impaired. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows (Note 13).

**Useful lives of property, plant and equipment**

The Group's management determines the estimated useful lives of its property, plant and equipment and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment and investment properties are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. But it is not considered to be a significant risk of material adjustment to the carrying values of property, plant and equipment in the year to 31 December 2023 if these estimates were revised.

**Provision and contingent liabilities**

The Group's management determines provision on best estimate of the expenditure required to settle the present obligation as a result of the past event at the reporting date (Note 42).

The Group's management measures contingent liabilities as a possible obligation depending on whether some uncertain future event occurs or a present obligation but payment is not probable or the amount cannot be measured reliably (Note 38).

**Uncertain tax exposures**

In certain circumstances, the Group may not be able to determine the exact amount of its current or future tax liabilities or recoverable amount of the claim refund due to ongoing investigations by, or discussions with the various taxation authorities. In determining the amount to be recognised in respect of uncertain tax liability or the recoverable amount of the claim for tax refund related to uncertain tax positions, the Group applies similar considerations as it would use in determining the amount of a provision to be recognised in accordance with IFRIC 23 Uncertainty over Income Tax Treatment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IAS 12 Income Taxes (Note 38).

**Fair value of unquoted equity investments**

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (Note 40).

**Calculation of loss allowance**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in (Note 39).

**Fair value of assets acquired and liabilities assumed at acquisition date**

The fair value of assets acquired and liabilities assumed at acquisition date as part of a business combination is a determined based on notional purchase price allocation (NPPA) in accordance with IFRS 3 'Business combinations'. This requires management to make significant estimates as part of determining the fair values of the identifiable assets acquired and liabilities assumed.

The Group engages independent valuers in order to determine the fair value of the retained interest and the fair values that formed part of the notional purchase price allocation.

## 44. SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON – CONTROLLING INTERESTS

The following table summarises the information relating to each of the Group's subsidiaries that have material non-controlling interests, before any intra-group eliminations:

| | Asiacell QR.'000 | NMTC* QR.'000 | Ooredoo Oman QR.'000 |
|---|---|---|---|
| **31 December 2023** | | | |
| Non-current assets | 4,408,933 | 9,766,689 | 3,411,836 |
| Current assets | 1,651,234 | 5,008,870 | 661,181 |
| Non-current liabilities | (395,068) | (2,969,121) | (400,057) |
| Current liabilities | (1,783,611) | (4,810,053) | (1,221,437) |
| **Net assets** | **3,881,488** | **6,996,385** | **2,451,523** |
| Carrying amount of NCI | 1,395,040 | 1,412,826 | 1,104,783 |
| Revenue | 4,451,688 | 7,738,617 | 2,453,152 |
| Profit | 932,200 | 998,880 | 101,859 |
| Profit allocated to NCI | 335,039 | 167,254 | 46,187 |

| | Asiacell QR.'000 | NMTC* QR.'000 | Ooredoo Oman QR.'000 |
|---|---|---|---|
| **31 December 2022** | | | |
| Non-current assets | 3,907,635 | 9,956,582 | 3,602,870 |
| Current assets | 1,434,250 | 4,218,434 | 581,092 |
| Non-current liabilities | (379,589) | (2,839,149) | (445,590) |
| Current liabilities | (1,742,292) | (4,828,839) | (1,264,814) |
| **Net assets** | **3,220,004** | **6,507,028** | **2,473,558** |
| Carrying amount of NCI | 1,157,297 | 1,321,317 | 1,114,062 |
| Revenue | 3,673,502 | 7,374,554 | 2,443,281 |
| Profit | 652,546 | 591,035 | 181,518 |
| Profit allocated to NCI | 234,531 | 118,048 | 82,057 |

* This includes the Group's subsidiaries with material non-controlling interest (NCI) within NMTC sub-group (Wataniya Telecom Algeria S.P.A. ("Ooredoo Algeria"), Ooredoo Tunisia S.A. ("Ooredoo Tunisia"), Wataniya Palestine Mobile Telecommunications Public Shareholding Company ("Ooredoo Palestine"), before any intra-group eliminations.

# Notes

## Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2023

### 45. SEGMENT INFORMATION

Information regarding the Group's reportable segments is set out below in accordance with IFRS 8 "Operating Segments". IFRS 8 requires reportable segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker ("CODM"), which is the "Board of Directors", and used to allocate resources to the segments and to assess their performance.

The Group is mainly engaged in a single line of business, being the supply of telecommunications services and related products. The majority of the Group's revenues, profits and assets relate to its operations in the MENA. Outside of Qatar, the Group operates through its subsidiaries and associates and major operations that are reported to the Group's CODM are considered by the Group to be reportable segments. Revenue is attributed to reportable segments based on the location of the Group companies. Inter-segment sales are charged at arms' length prices.

For management reporting purposes, the Group is organised into business units based on their geographical area covered, and has seven reportable segments as follows:

1. Ooredoo Qatar is a provider of domestic and international telecommunication services within the State of Qatar;
2. Asiacell is a provider of mobile telecommunication services in Iraq;
3. Ooredoo Hutchison Asia ("OHA") (considered a major joint venture) is a provider of telecommunication services such as cellular services, fixed telecommunications, multimedia, data communication and internet services in Indonesia;
4. Ooredoo Oman is a provider of mobile and fixed telecommunication services in Oman;
5. Ooredoo Algeria is a provider of mobile telecommunication services in Algeria;
6. Ooredoo Kuwait is a provider of mobile and ISP services in Kuwait; and
7. Others include some of the Group's subsidiaries which are providers of wireless and telecommunication services such as Palestine, Tunisia, Maldives, and Myanmar.

Management monitors the operating results of its operating subsidiaries separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss of these reportable segments. Transfer pricing between reportable segments are on an arm's length basis in a manner similar to transactions with third parties.



**Operating segments**

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2023 and 2022:

| Year ended 31 December 2023 | Ooredoo Qatar QR.'000 | Asiacell QR.'000 | Ooredoo Algeria QR.'000 | Ooredoo Oman QR.'000 | Ooredoo Kuwait QR.'000 | Others QR.'000 | Adjustments and eliminations QR.'000 | Total as reported QR.'000 | OHA* QR.'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | |
| Revenue from rendering of telecom services | 6,816,232 | 4,439,416 | 2,459,105 | 2,259,382 | 2,257,557 | 3,206,554 | - | 21,438,246 | 4,016,588 |
| Sale of telecommunications equipment | 60,306 | - | 3,081 | 162,710 | 653,739 | 772,881 | - | 1,652,717 | 2,955 |
| Revenue from use of assets by others | 15,068 | 11,968 | - | 28,930 | 474 | 16,306 | - | 72,746 | 212 |
| Inter-segment | 394,802 | 304 | 63 | 2,130 | 2,159 | 338,493 | (737,951) | (i) - | - |
| **Total revenue** | **7,286,408** | **4,451,688** | **2,462,249** | **2,453,152** | **2,913,929** | **4,334,234** | **(737,951)** | **23,163,709** | **4,019,755** |
| **Timing of revenue recognition** | | | | | | | | | |
| At a point in time | 452,167 | - | 3,081 | 162,710 | 653,739 | 791,466 | (410,446) | 1,652,717 | 2,955 |
| Over time | 6,834,241 | 4,451,688 | 2,459,168 | 2,290,442 | 2,260,190 | 3,542,768 | (327,505) | 21,510,992 | 4,016,800 |
| | **7,286,408** | **4,451,688** | **2,462,249** | **2,453,152** | **2,913,929** | **4,334,234** | **(737,951)** | **23,163,709** | **4,019,755** |
| **Results** | | | | | | | | | |
| Segment profit (loss) before tax** | 2,417,115 | 1,116,726 | 351,918 | 229,524 | 969,432 | 28,986 | (826,860) | (ii) 4,286,841 | 463,683 |
| Depreciation and amortisation | 996,704 | 814,847 | 655,256 | 663,529 | 511,474 | 640,762 | 301,886 | (iii) 4,584,458 | 1,298,791 |
| **Net finance costs** | **296,623** | **10,815** | **35,003** | **34,250** | **(5,696)** | **164,109** | **-** | **535,104** | **386,422** |

* Ooredoo Hutchison Asia (OHA) proportionate results are included in the segment analysis. As a result of the merger between IO and PT Hutchison 3 Indonesia, the Group deconsolidated IO and recognised its retained interest as an investment in a joint venture. The Group's share of IOH operations is equal to 32.8% (note 16).

** Segment profit / loss before tax is determined after deducting all expenses attributable to the segment including depreciation, amortisation and impairment of assets and finance cost.

Notes

## Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2023

### 45. SEGMENT INFORMATION (cont.)

**Year ended 31 December 2022**

| | Ooredoo Qatar QR.'000 | Asiacell QR.'000 | Ooredoo Algeria QR.'000 | Ooredoo Oman QR.'000 | Ooredoo Kuwait QR.'000 | Others QR.'000 | Adjustments and eliminations QR.'000 | Total as reported QR.'000 | OHA* QR.'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | |
| Revenue from rendering of telecom services | 7,617,296 | 3,635,158 | 2,203,035 | 2,302,654 | 2,146,154 | 3,209,872 | - | 21,114,169 | 3,755,464 |
| Sale of telecommunications equipment | 70,611 | 24 | 3,581 | 112,228 | 660,608 | 638,657 | - | 1,485,709 | 2,955 |
| Revenue from use of assets by others | 17,791 | 38,135 | - | 25,963 | 531 | 15,886 | - | 98,306 | 4,214 |
| Inter-segment | 254,505 | 185 | 15,070 | 2,436 | 1,961 | 398,071 | (672,228) | (i) - | - |
| **Total revenue** | **7,960,203** | **3,673,502** | **2,221,686** | **2,443,281** | **2,809,254** | **4,262,486** | **(672,228)** | **22,698,184** | **3,762,633** |
| **Timing of revenue recognition** | | | | | | | | | |
| At a point in time | 315,667 | 24 | 3,581 | 112,228 | 660,608 | 654,433 | (260,832) | 1,485,709 | 2,955 |
| Over time | 7,644,536 | 3,673,478 | 2,218,105 | 2,331,053 | 2,148,646 | 3,608,053 | (411,396) | 21,212,475 | 3,759,678 |
| | **7,960,203** | **3,673,502** | **2,221,686** | **2,443,281** | **2,809,254** | **4,262,486** | **(672,228)** | **22,698,184** | **3,762,633** |
| **Results** | | | | | | | | | |
| Segment profit (loss) before tax** | 2,390,990 | 773,188 | 138,276 | 324,870 | 296,655 | (294,118) | (303,113) | (ii) 3,326,748 | 519,455 |
| Depreciation and amortisation | 940,001 | 783,049 | 626,154 | 677,377 | 522,642 | 716,126 | 299,930 | (iii) 4,565,279 | 1,274,215 |
| **Net finance costs** | **498,573** | **9,278** | **25,942** | **28,873** | **19,928** | **182,896** | **-** | **765,490** | **396,934** |

** Segment profit / loss before tax is determined after deducting all expenses attributable to the segment including depreciation, amortisation and impairment of assets and finance cost.

Note:

(i) Inter-segment revenues are eliminated on consolidation

(ii) Segment profit before tax does not include the following:

| | 2023 QR.'000 | 2022 QR.'000 |
|---|---|---|
| **Amortisation of intangibles** | **(301,886)** | **(303,113)** |
| **Impairment of intangible assets and goodwill** | **(524,974)** | **-** |

(iii) Amortisation relating to additional intangibles identified from business combination was not considered as part of segment expense.

The following table presents segment assets of the Group's operating segments as at 31 December 2023 and 2022.

| | Ooredoo Qatar QR.'000 | Asiacell QR.'000 | Ooredoo Algeria QR.'000 | Ooredoo Oman QR.'000 | Ooredoo Kuwait QR.'000 | Others QR.'000 | Adjustments and eliminations QR.'000 | Total QR.'000 | OHA* QR.'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Segment assets (i)** | | | | | | | | | |
| **At 31 December 2023** | **14,714,154** | **5,922,295** | **4,102,448** | **4,072,947** | **4,862,186** | **13,265,081** | **11,269,341** | **58,208,452** | **10,009,802** |
| At 31 December 2022 | 18,988,989 | 5,224,053 | 3,678,004 | 4,178,020 | 4,234,716 | 13,536,856 | 11,998,882 | 61,839,520 | 9,927,351 |
| **Capital expenditure (ii)** | | | | | | | | | |
| **At 31 December 2023** | **674,665** | **584,401** | **501,322** | **426,680** | **207,002** | **582,466** | **-** | **2,976,536** | **925,158** |
| At 31 December 2022 | 761,425 | 442,219 | 473,176 | 463,335 | 220,265 | 389,312 | - | 2,749,732 | 929,203 |

* Ooredoo Hutchison Asia (OHA) proportionate results are included in the segment analysis. As a result of the merger between IO and PT Hutchison 3 Indonesia, the Group deconsolidated IO and recognised its retained interest as an investment in a joint venture. The Group's share of IOH operations is equal to 32.8% (note 16).

Note:

(i) Goodwill and other intangibles arising from business combination amounting to QR. 11,269,341 thousand (31 December 2022: QR. 11,998,882 thousand) was not considered as part of segment assets.

(ii) Capital expenditure consists of additions to property, plant and equipment and intangibles excluding goodwill and assets arising from business combinations.

# Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2023

## 46. CONTRIBUTION TO SOCIAL AND SPORTS FUND

According to Qatari Law No. 13 for the year 2008 and the related clarifications issued in January 2010, the Company is required to contribute 2.5% of its annual net profits to the state social and sports fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income. Hence, this is recognised in the statement of changes in equity.

During the year, the Group appropriated an amount of QR. 47,776 thousands (2022: QR. 45,385 thousand) representing 2.5% of the net profit generated from Qatar Operations.

## 47. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

| | 1 January 2023 | Financing cash flows (i) | Non-cash changes | Other changes (iii) | 31 December 2023 |
|---|---|---|---|---|---|
| | QR.'000 | QR.'000 | QR.'000 | QR.'000 | QR.'000 |
| Loans and borrowings (Note 29) | **17,873,460** | (5,477,474) | - | 595 | **12,396,581** |
| Deferred financing costs (Note 29) | **(138,855)** | (8,216) | 24,323 | (685) | **(123,433)** |
| Lease liabilities (Note 33) | **3,804,713** | (793,530) | 896,055 | (160,971) | **3,746,267** |

Notes:

i) The financing activities in the statement of cash flows mainly include the cash flows from loans and borrowings and other non-current liabilities.

ii) The non-cash changes pertain to the amortisation of deferred financing costs.

iii) Other changes include exchange adjustments and reclassification.

## 48. SIGNIFICANT ARRANGEMENTS

**Sale of Ooredoo Myanmar Ltd.**

On 8 September 2022, the Group announced that it has entered into an agreement to sell 100 percent of its equity in Ooredoo Asian Investments Pte Ltd. (Singapore) ("OAI"), the parent company that owns 100 percent of Ooredoo Myanmar Ltd. ("OML"), and 100 percent of Ooredoo Myanmar Fintech Ltd. ("OMFL") to Nine Communications Pte. Ltd. ("Buyer") for an enterprise value of approximately USD 576 million (QR. 2,097 million) and total equity consideration of USD 162 million (QR. 590 million). The transaction has been approved by the board of directors of the Group and of Nine Communications Pte. Ltd, and remains subject to customary closing conditions, including regulatory approvals in Myanmar.

There are several government approvals required for this transaction to be completed. As of the date of these consolidated financial statements, these approvals are progressing but still not all obtained.

As completion of the proposed transaction is still conditional on the satisfaction or waiver of certain legal and regulatory conditions, there remains a possibility that the proposed transaction may not proceed. Management has exercised significant judgement and has determined that not all held for sale criteria in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are met as at the end of the reporting period despite the recent positive activity on that front. Such determination is primarily based on the fact that the remaining terms for the execution of the proposed transaction are not "usual and customary" and a number of required approvals from authorities are not administrative in nature. Consequently, the Group continues to consolidate its subsidiary in Myanmar and OML has not been classified as held for sale in these consolidated financial statements as at 31 December 2023.

**Ooredoo, Zain and TASC Towers Holding create an independent tower company comprising up to 30,000 towers.**

On 24 July 2023, the Group announced that it had entered exclusive negotiations with Mobile Telecommunications Company K.S.C.P. (Zain Group) and UAE based TASC Towers Holding to combine their approximately 30,000 telecommunication tower assets in Qatar, Kuwait, Algeria, Tunisia, Iraq and Jordan into a jointly owned independent tower company in a cash and share deal. Both Ooredoo and Zain will retain their respective active infrastructure, including wireless communication antennas, intelligent software, and intellectual property with respect to managing their telecom networks.

On 5 December 2023, Ooredoo, Zain and TASC announced the signing of definitive agreement for the creation of the largest tower group in the MENA region. The phased implementation will be tailored for each market to ensure a seamless transition of operations and is subject to regulatory approvals in each country and the expected timeline for the completion of this transaction is during 2024.

## 49. COMPARATIVE INFORMATION

During the year, the Group performed an exercise to determine if the presentation of the consolidated financial statements is in accordance with IAS 1 "Presentation of financial statements". This exercise resulted in reclassification of certain line items in the consolidated financial statements. The comparative figures have been reclassified in order to conform with the presentation for the current year for reasons set out in the notes below. Such reclassifications have been made by the Group and it did not have any impact on the previously reported equity and profits.

Below is the reclassification impact on the comparative period as a result of changes made during the year:

| | Previous | Reclassification | Current | |
|---|---|---|---|---|
| | QR.'000 | QR.'000 | QR.'000 | Notes |
| **Consolidated statement of profit or loss for the year ended 31 December 2022** | | | | |
| Royalty fees | (442,562) | 193,256 | (249,306) | 1 |
| Income tax and other tax related fees | (372,584) | (193,256) | (565,840) | 1 |

| | Previous | Reclassification | Current | |
|---|---|---|---|---|
| | QR.'000 | QR.'000 | QR.'000 | Notes |
| **Consolidated statement of financial position as at 31 December 2022** | | | | |
| Financial assets at fair value | 632,577 | 253,817 | 886,394 | 2 |
| Bank balances and cash | 13,536,468 | (304,567) | 13,231,901 | 2 |
| | **14,169,045** | **(50,750)** | **14,118,295** | |
| Trade and other payables | 8,380,110 | (263,707) | 8,116,403 | 1,2 |
| Income tax and other tax related payables | 327,507 | 393,387 | 720,894 | 1 |
| Provisions – Current | 455,342 | (180,430) | 274,912 | 1 |
| | **9,162,959** | **(50,750)** | **9,112,209** | |

The effects of the reclassifications in the tables above have accordingly been mirrored in the comparative period's consolidated statement of cash flows with no impact on net cash generated from operating activities, net cash used in investing activities or net cash used in financing activities.

The table below summarises the impact on the opening consolidated statement of financial position of the comparative period:

| | Previous | Reclassification | Current | |
|---|---|---|---|---|
| | QR.'000 | QR.'000 | QR.'000 | Notes |
| **Consolidated statement of financial position as at 1 January 2022** | | | | |
| Financial assets at fair value | 686,078 | 198,530 | 884,608 | 2 |
| Bank balances and cash | 11,670,454 | (304,567) | 11,365,887 | 2 |
| | **12,356,532** | **(106,037)** | **12,250,495** | |
| Trade and other payables | 8,323,455 | (345,718) | 7,977,737 | 1,2 |
| Income tax and other tax related payables | 320,220 | 444,977 | 765,197 | 1 |
| Provisions – Current | 575,359 | (205,296) | 370,063 | 1 |
| | **9,219,034** | **(106,037)** | **9,112,997** | |

1- The industry fee and royalty fee expenses that were previously accounted for in accordance with IFRIC 21 and was presented as part of the "Royalty fees" expense line item has also been reassessed. Such fees should have been recognised as income taxes in accordance with IAS 12, since the determination is based on the adjusted net profit as further detailed above in note 19 of the consolidated financial statements. Accordingly, industry fees in Qatar and Kuwait royalty fee expenses are now reclassified to be presented as income tax and other tax related fees in the consolidated statement of profit or loss. Accordingly, the related payables for such fees have been reclassified to "Income tax and other tax related payables" line item from "Trade and other payables" and "Provisions - current" respectively.

2- The Group re-assessed its accounting treatment of a contract for differences instrument with a financial institution and concluded that the arrangement should be treated as a single financial asset. The contractual terms of the arrangement do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and as such management has classified the financial assets as subsequently measured at fair value through profit or loss in line with the requirements of IFRS Accounting Standards.

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