DELIVERING RECORD PERFORMANCE

Annual Report 2022

بِسْمِ ٱللَّهِ ٱلرَّحْمَٰنِ ٱلرَّحِيمِ

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

His Highness
Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah
The Amir of The State of Kuwait

His Highness
Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah
The Crown Prince of The State of Kuwait

Contents

2022 A YEAR OF SUCCESS

CUSTOMER EXPERIENCE IS THE FOUNDATION FOR FURTHER DEVELOPMENT

"In 2022, we took it upon ourselves to upgrade everything around the Ooredoo brand. Our efforts have been centered and focused on our customers, proactively setting strategies and objectives to enhance their experience with the brand. We developed our pre-existing technologies and adopted the latest digital developments available to create a digitally advanced network.

Ooredoo will continue to provide cutting-edge smart and digital solutions, innovate, and develop the infrastructure of the Group's networks. We are taking significant steps to strengthen partnerships and long-term agreements with other sectors, such as the financial and government sectors, to offer services that contribute to maintaining business continuity and provide access to new growth opportunities".

Mohammed bin Abdulla Al Thani
Chairman

Dear Shareholders,

Today, I present to you the financial results and market performance of Ooredoo Kuwait Group for 2022. It brings me great pride to reflect on this successful year for Ooredoo. Despite the challenges posed by the pandemic, we have evolved, grown, and modernized our approach, making 2022 a year of success and prosperity for the brand.

First and foremost, we refreshed our brand with a completely new look; as we studied the market and listened to our customers. While we set strategic plans to elevate our financial results to the current level, we made sure that our motto "Develop your world" not only reflected internally on ourselves as employees but also influenced society and our surroundings as a whole.

In 2022, we introduced new services and products that we consider to be the first in the market, and we have been committed to elevating our existing infrastructure to provide our customer base with an unparalleled experience with a brand they know and trust. We have not only better served our customers' needs from a business-to-consumer perspective, but we have also optimized our business-to-business products and services to remain competitive, efficient, and unparalleled in a competitive market.

As the world around us is becoming increasingly digital, we have worked to introduce financial technologies among our services and have declared ourselves as the first telecom provider to announce and launch such services on our platform.

Throughout 2021, our sector has re-emerged as one of the most vital in the world.

We have ensured that people remain connected through our technologies, and today we are enhancing these experiences with a seamless, uninterrupted, and digitally advanced network.

In 2022, consolidated revenues increased by 3% to reach KD 620.3 million, compared to KD 601.7 million in 2021. This increase was a result of enhanced performance through the implementation of strategic and commercial plans, as well as operating efficiency in Kuwait. Additionally, there was improved performance in the Maldives and Palestine and healthy growth in Tunisia and Algeria in local currency terms, which had a positive impact on revenues in Kuwaiti Dinars.

And now, I share with you a detailed analysis of the performance of every company in the Group.

Ooredoo Kuwait

The customer base of Ooredoo Kuwait increased by 8% to reach 2.7 million customers in 2022, compared to 2021.

The company recorded a 12% increase in revenue, reaching KD 236.3 million in 2022, compared to KD 210.5 million in 2021.

EBITDA was notably up by 17% to reach KD 71.5 million in 2022, driven by enhanced operational efficiency in all commercial business areas.

Ooredoo Tunisia

The customer base of Ooredoo Tunisia increased by 3% to reach 7.1 million customers in 2022. However, the value of the Tunisian dinar decreased by 9.4% year-on-year, resulting in revenues falling to KD 123.5 million in 2022 compared to KD 134.0 million in 2021. In terms of the local currency, revenue increased by 1%. EBITDA increased by 6% to reach KD 54.8 million in 2022 compared to KD 51.8 million in 2021.

Ooredoo Algeria

The customer base of Ooredoo Algeria increased by 2% to reach 13.0 million customers in 2022. However, the business in Algeria was negatively affected by the depreciation of the Algerian Dinar, which declined by 3.7% year-on-year. As a result, revenues decreased to KD 186.9 million in 2022, compared to KD 188.5 million for the same period in 2021. In terms of local currency, revenues increased by 3%. EBITDA amounted to KD 66.2 million in 2022, compared to KD 65.1 million in 2021. Taxes, depreciation, and amortization amounted to KD 52.5 million in the nine-month period ending on September 30, 2022, compared to KD 50.3 million for the same period in 2021.

Ooredoo Palestine

The customer base in Palestine increased by 2% to reach 1.4 million customers in 2022. Revenue also increased by 5% to reach KD 35.4 million in 2022, compared to KD 33.8 million in 2021. Additionally, EBITDA increased by 6% to reach KD 13.0 million in 2022 compared to KD 12.3 million in 2021.

Ooredoo Maldives

Revenues of Ooredoo Maldives increased by 9% reaching KWD 38.2 million in 2022 compared with KWD 35.0 million in 2021. EBITDA for 2021 was KWD 17.2 million compared with KWD 17.0 million in 2020. Ooredoo Maldives now serves a total of 387,000 thousand customers.

Wishing you all much luck and success,

Mohammed bin Abdulla Al Thani
Chairman

THE OUTCOME OF OUR DILIGENT EFFORTS IN PROVIDING INNOVATIVE SERVICES

"Ooredoo is constantly updating all of its communication channels, services, products and promotions, and of course, updating its rewards programs to pay tribute to its customers' loyalty and recognition throughout their journey with Ooredoo".

We have achieved these results through our relentless pursuit of making many changes aimed at satisfying our customers by providing innovative services that cater to various segments of society. This is a significant reason for the growth of our customer base and their trust in us. A prime example of this pursuit is Fiber+ solutions, which Ooredoo recently introduced as a revolutionary technology and the first of its kind in Kuwait. The solution is suitable for smart homes and digital institutions and represents our continuous effort to offer the latest and most innovative solutions in the world of digital transformation.

We are also proud to have obtained the first license for Cloud Computing Services from the Communication and Information Technology Regulatory Authority (CITRA).

to offer the latest and most innovative solutions in the world of digital transformation.

Our center provides fixed and secure internet without interruption 24/7 from anywhere in the world, with complete safety and confidentiality.

In the corporate sector, we launched the Ooredoo Cloud Connect service in cooperation with Huawei, a new generation of network services managed through cloud solutions, enabling customers to benefit from pioneering technologies. It serves various sectors such as education, healthcare, shopping centers, real estate, hospitality, and small and medium entrepreneurs with smart solutions.

At Ooredoo, we are dedicated to digital transformation for our customers and continually strive to enhance their experience with digital products and services that align with their evolving lifestyles.

With this goal in mind, we hosted the largest iPhone 14 event in Kuwait, the country's biggest event, featuring a diverse range of entertaining activities that drew a sizable audience.

In 2022, we implemented our strategic plan to elevate customer experiences to an unprecedented level, revolving around our customers and their direct experience with the brand. We elevated and digitally enhanced all aspects of our products, services, and promotions to provide the best experience in the marketplace. This growth was supported by everyone at Ooredoo Kuwait's keenness and determination to not only meet but exceed customer expectations.

We have efficiently developed and enhanced all aspects of our operations, services, and infrastructure to provide our customers with a unique Ooredoo brand experience, an uninterrupted network, and innovative digital adoption and integration.

Our infrastructure technologies not only give us a competitive advantage in the market but also ensure customer satisfaction by meeting and exceeding their needs.

As financial technologies continue to evolve and global demand for financial services increases, we at Ooredoo Kuwait are proud to be the first telecom company in Kuwait to announce and launch ApplePay through the MyOoredoo application.

Ooredoo Kuwait is committed to being at the forefront of digital innovation, introducing technologies that meet our customers' requirements and keep up with their fast-paced digital lifestyle.

Abdulaziz Yacoub Al-Babtain
Chief Executive Officer

Board of Directors

Ooredoo Kuwait

Sheikh Mohammed bin Abdullah Al Thani
Chairman

Mr. Abdullah Ahmed Al-Zaman
Vice Chairman

Dr. Hamad Yahia Al-Nuaimi
Board Member

Sheikh Ali Bin Jabor Al Thani
Board Member

Mr. Nael Abdulla Al-Awadi
Board Member

Dr. Yousuf Mebrek Al-Sellili
Board Member

Mr. Mohammed Sabri Al-Zaidan
Board Member

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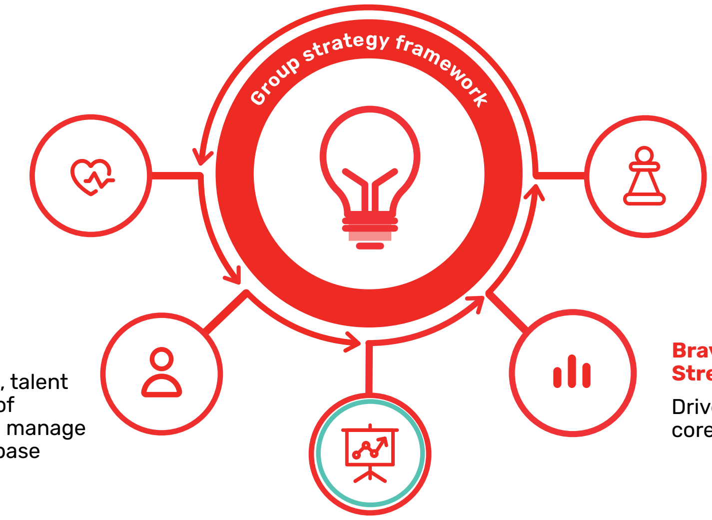
Ooredoo continues to 'Upgrade Your World' with 2022 revenue at the top end of annual guidance and our highest profit in a decade

EVOLVING OOREDOO INTO A SMART TELCO

To position Ooredoo as the partner of choice across its global footprint, we have undergone a significant journey of transformation since 2021, strengthening and evolving our core business and identifying opportunities to accelerate financial growth.

Our evolved strategy focuses on five key strategic pillars:



The telecommunications sector is evolving. Demand for data connectivity and digital services continues to grow exponentially as governments digitalise, businesses move to the cloud, and consumers transact, interact, learn, work online and are entertained by multiple streaming services. During the Coronavirus pandemic, the enabling role of telecoms infrastructure to cover these basic 'digital' needs became even more evident.

Despite its crucial role, the telecoms industry faces the challenge of comparatively low returns on capital, partially driven by the imperative to invest in the latest telecoms technologies, partially driven by the need to make connectivity services affordable and partially driven by a limited focus on capital returns.

Ooredoo has set out its strategy to evolve into a Smart Telco with the clear ambition to improve the return on its capital facilitated by strong #1/#2 market positions. This includes identifying new use cases for deployed capital, driving higher efficiency in using capital and redeploying capital to higher yielding investment opportunities together with partners.

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. Attractiveness to existing or prospective customers in those specific segments as a function of customer experience supports a positive financial momentum.

Our focus on execution is to reduce customer effort, continuously removing potential friction points, while at the same time establishing digital touchpoints to better service customers. To drive continuous improvement, we have deployed state-of-the-art feedback channels for our customers, enabling us to listen to the 'voice of the customer' and act upon the received feedback across the organisation.

People

Succeeding in customer experience requires an engaged and empowered workforce. In this context, we are advancing our ways of working by increasingly adopting agile methods, fostering cross-functional collaboration, and driving personal ownership of outcomes and respective empowerment. We measure and benchmark the engagement of our workforce and have managed to achieve very strong results as an outcome of numerous initiatives.

Coaching and mentoring underpin this daily work, to help people to grow with Ooredoo and contribute meaningfully to our business.

Our People strategy going forward will focus upon:

'Future-forward'. We are deploying strategic workforce planning in line with our Smart Telco business model, developing a strong pool of highly skilled talents and a solid talent bench.

Working smarter. We are leveraging digitalisation and collaboration ecosystems across our operations in combination with the flexible work models that we have already deployed.

Evolve the Core

The business models in the telecom industry are evolving, opening opportunities to either develop new revenue streams or deliver services at a lower cost through better efficiency and effectiveness. We address this reality by evolving our capabilities around our telecoms business model and setting up new use cases for generating revenues on already deployed capital.

Ooredoo has deployed programmes in areas such as analytics, digitising our operations or partnering with digital service partners. Those partnerships already today contribute an excess of 15% to our free cash flow. The financial contribution of these partnerships is still growing but also requires evolved skills such as API-facilitated access to our business systems where partner implementation is done once across our operations rather than multiple times.

Beyond evolving the capability set for the future, we are identifying new use cases to drive attractive profit contributions from already deployed capital or to explore new businesses in our immediate industry adjacency such as Fintech, where Ooredoo has already established successful operations in our home market Qatar, supporting approximately 35% of the overall mobile money transaction value in the MENA region according to a recent GSMA study.

Strengthen the Core

We are focused on creating an efficient and effective operation that makes best use of deployed capital, uses an appropriate cost structure and serves customers with a strong and competitive service offering.

In 2021, we launched a holistic company-wide transformation programme called 'Braveheart' to track and ensure execution of initiatives. More than 700 initiatives were deployed that focused on capturing revenue opportunities – in an environment where our top line was seeing pressure from the Coronavirus pandemic – and driving investment efficiencies. The successful delivery of those initiatives has resulted in a strong free cash flow performance of Ooredoo.

From 2023 onwards we will continue our programme albeit with the added priority of operating efficiencies. Programmes such as OneOoredoo – the transformation of our common ERP systems and related business processes – have been established to drive these respective outcomes.

Value-Focused Portfolio

We review the use and deployment of capital in our portfolio for the ability to create superior shareholder value.

We review our assets with the ambition to be in strong #1/#2 market positions. This review is guided by the attractiveness of the respective geographical market and its competitive intensity. Where structurally our operations are assessed to be unable to achieve a #1/#2 position organically, we are pursuing opportunities for in-market consolidations or divestments. We have actioned this by either choosing to exit the market, as with Ooredoo Myanmar, or by taking advantage of consolidation opportunities, as in Indonesia.

In addition, our industry has historically been vertically integrated. As our industry evolved, a delayering of the telecoms business model became technically and commercially more viable. Ooredoo is making clear choices on the layers of the business model to either partner, divest or strengthen its foothold in those layers to crystallise value for our shareholders. The ongoing carve-out of our tower operations with about 20,000 towers in six markets, as well as our intended carve-out and further investments into data centres across Ooredoo markets, are all evidence of this.

FIFA World Cup Qatar 2022 ™

OOREDOO SHATTERS RECORDS

First-ever 5G-Enabled FIFA World Cup™

Final match set a new record for mobile data use in any sporting event

Efforts to build the network accelerated from 2017 onwards

More than 1,130 multi-beam antennas connected

11.4 million voice calls made and 801TB data used throughout the tournament

FIFA World Cup Qatar 2022™

Full tournament - 64 matches

Attendance

3.4 million

646K roamers in stadiums

Data

801 GSM TB **201 TB**

5G 40.3% share @ 236Mbps

4G 58.2% share @ 19Mbps

Voice

11.4 million calls

99.95% call set-up success rate
0.04% call drop rate

Robust facilities

500+ engineers & experts

8,466 antennae

A Team of Champions Delivers Outstanding Results

When Qatar was announced as the host of FIFA World Cup Qatar 2022™ on 2 December 2010, history was made in multiple ways. Qatar would become the first nation in the Arab World to host the event, and the tournament would be the first FIFA World Cup™ in the northern hemisphere not held during the summer.

The announcement kicked off a period of focused development, as national enterprises came together under the leadership of The Supreme Committee for Delivery and Legacy to ensure that Qatar was ready to present the best FIFA World Cup™ in history. Work began immediately following the announcement of the successful bid, with efforts to build the network ramping up from 2017 onwards.

Ooredoo established a long-standing successful commitment to FIFA's leading events, as a National Supporter of the 2019 and 2020 editions of FIFA Club World Cup™ in Qatar and as the Official Middle East & Africa Telecommunications Operator of FIFA World Cup Qatar 2022™.

In parallel, Ooredoo made significant strategic investments in network development and new technologies to ensure that organisers, support organisations, media companies and fans at home and overseas would all enjoy robust connectivity services, enabling as many people as possible to enjoy every moment of every match.

Record-breaking Results

Across all 64 matches, a total of 3.4 million fans in attendance used a phenomenal 801TB data, of which 40.3% was via Ooredoo's pioneering 5G at an average speed of 236Mbps (peak throughput of 2.5Gbps), while 58.2% was on the 4G network at an average speed of 19Mbps (peak throughput above 1Gbps). 201TB of Wi-Fi was used in eight stadiums.

At the stadiums, 11.4 million voice calls were made throughout the event, of which 63.1% were VoLTE, with a call success rate of 99.95%, and an incredible 646,000 fans used roaming in the eight venues.

More than 8,466 antennae placed in the eight stadiums supported the network, while a team of more than 500 experts on the ground ensured seamless service.

Lusail Stadium – host venue of the FIFA World Cup Qatar 2022™ Final – saw the highest figures, with 222TB data used and 2.9 million calls made throughout the tournament. The final match in Lusail Stadium saw a new record for mobile data in any sporting event, with 45.1TB mobile data used, 8.4TB Wi-Fi used, more than 650,000 calls made and 32,000 fans using roaming.

Across Qatar, the numbers were even higher in fan zones, hot-spots and key attractions. Doha Corniche, for example, generated more than 850TB of data traffic and more than 14.4 million calls with drop rates of less than 0.1%. Activations in Lusail, The Pearl and Katara saw huge crowds that generated approximately 1,470 TB and more than 24 million calls.

Building the Network

A full 4G/5G mobile network modernisation – incorporating the very latest, most advanced equipment and functionalities – ensured complete readiness for FIFA World Cup Qatar 2022™.

Proper network capacity and resiliency throughout all network components – RAN, Core and Transport – was ensured for both national and international segments, and included full modernisation of the core, with a sophisticated cloud core network in state-of-the-art data centres.

A major upgrade of outdoor radio sites with the latest 5G technology maximised country-level coverage, including stadiums, airports, rail networks, fan zones and other FIFA-related facilities. Capacity for fan zones and other event venues and hotspots was enhanced by smart solutions like ODAS and small cells to cater to extra localised traffic in hot spots. The team deployed innovative tools including AI/ML-based for real-time monitoring, quick detections and faster action.

More than 1,130 multi-beam antennas connected over 355km of RF cables and over 202km of fibre optic, covering the eight stadiums and immediate surrounding areas with 4G and 5G. Mobile network services with 5,000+ cells, 1,500+ DOTs, TETRA services and Wi-Fi backbone offered state-of-the-art 5G, 4G, 3G and 2G technologies at all eight stadiums.

Major telecom suppliers were asked to enhance their support framework and service assurance requirements during the period of the event with uplifted SLAs. Ooredoo also liaised closely with the Supreme Committee, as well as with the Qatar Communications Regulatory Authority (CRA) to facilitate successful FIFA operations.

In addition, Ooredoo deployed a range of cutting-edge new technologies:

- A new AI-powered process of identity authentication and SIM card activation was used to speed up and simplify the onboarding process. The service deployed a sophisticated AI-based digital Know Your Customer (KYC) technology to establish the real identity of users quickly and efficiently in the digital world.
- An AI-powered Virtual Voice Assistant, utilising Google Contact Centre Artificial Intelligence, was made available 24/7 to assist customers in nine different languages, including English, Spanish, French, German, Portuguese, Japanese, Korean and Arabic.
- Ooredoo modernised the transport network to provide the best 4G/5G low latency and connectivity experience, deploying a new FLAT scalable SDN-based transport network with segment routing (SR-TE) functionality for flexible low-latency routing.

On-the-Ground Support

A focused taskforce comprising more than 500 experts handled operations from a centralised state-of-the-art Service Operation Centre, supported by a network of multiple remote hubs and field operations round-the-clock.

Network enhancements included upgrades of Ooredoo's National and International Transport IP links capacity, ensuring abundant bandwidth for internet connectivity with international servers for popular OTT applications such as Facebook, Instagram, Snapchat, TikTok, WhatsApp and more. These upgrades also ensured the provision of high-quality voice calls and an excellent roaming experience, enabling customers and broadcasters to stay connected with their international home destinations.

As lead service provider for FIFA stadiums, Ooredoo deployed the latest digital distributed antenna solutions, based on a shareable model that was accessible to other service providers in the country. Customer experience measurement devices were deployed in stadiums and fan zones to monitor in real time the main applications being used by fans and enable proactive real-time quality enhancements.

Ooredoo provided global telecommunications services to all media rights licensees in Qatar. This included the connection of approximately 50 event broadcasters around the world to the Ooredoo network and the Qatar International Broadcasting Centre to transmit live video and data, providing tournament carriers with the quality and flexibility needed to produce and distribute broadcast video content.

More than 350 FIFA buses that were used to transport players, match officials and media representatives were provided with mobile broadband, with some 300 of these also fitted with managed Wi-Fi systems.

Looking to the Future

Following the stunning success of Ooredoo's network performance at FIFA World Cup Qatar 2022™, the team is working hard to share key learning and technological breakthroughs across the wider Group, to provide a firm foundation for future major events.

Sheikh Nasser Bin Hamad Bin Nasser Al Thani, Chief Commercial Officer at Ooredoo Qatar concluded:

"Years of strategic investment in innovation and technology ensured Ooredoo was perfectly placed to deliver seamless connectivity and a vastly enhanced experience for fans residing in Qatar and those visiting from overseas."

OOREDOO KUWAIT

UPGRADE YOUR WORLD

"This was a fulfilling year for Ooredoo Kuwait, as we met our commitments and reached beyond our goals. Our unwavering focus on our strategy, and on our new Group motto 'Upgrade Your World', enabled us to deliver on our promises and return solid results."

Abdulaziz Yacoub Al-Babtain
Chief Executive Officer
Ooredoo Kuwait

Awards

Cisco
Security Partner of the Year

The Future Enterprise Awards
Best CX in Telecommunication Industry 2022

Financial Performance

	2018	2019	2020	2021	2022
Revenue KD millions	240.9	231.3	209.8	210.5	**236.3**
EBITDA KD millions	55	72.4	52	61.1	**71.5**
EBITDA margin	23%	31%	25%	29%	**30%**
Employees	1,225	1,132	1,363	1,230	**1,423**

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

Overview

Ooredoo Kuwait recorded an increase in revenue of 11% in 2022 as compared to 2021, with EBITDA up 15% year-on-year and a 1% increase in EBITDA margin. The company's solid results were driven by operational efficiencies across the business, and an increase in the customer base.

Mobile data revenue increased by 11%, supported by a traffic increase of 15% year-on-year. In total, 31% of data traffic is now carried by the 5G network, with 2022 seeing 96% growth in the number of 5G users, while 81% of voice traffic was carried by the 4G network. OPEX to service revenues decreased from 44% in 2021 to 40% in 2022, as a result of operational efficiencies across the business. CAPEX to service revenue decreased from 17% in 2021 to 10% in 2022 due to increased service revenues.

Ooredoo Kuwait enjoys a 35.8% share of the mobile market in the country, with some 2.7 million subscribers.

The company improved its customer offering in 2022 with the launch of 'Fibre+', state-of-the-art optical fibre technology that enables seamless internet across homes with no drop in latency or speed, regardless of the number of connections. Another improvement was seen in the release of the revamped 'My Ooredoo App', with a personalised interface and integrated payment gateway that changed the way customers interact with the company, creating new sales opportunities in parallel. Ooredoo Kuwait also enhanced its gaming portfolio in collaboration with 'Blink', enabling gamers to build an optimal gaming experience with a wide selection of gaming PCs, accessories and bundles.

Ooredoo Kuwait's standing in the market was cemented with its ranking as #1 in brand equity in 2022, indicating the company's commitment to maintaining the brand's position in a competitive market.

Ooredoo Kuwait adapted its asset portfolio in 2022 in line with its corporate strategy and in response to current market trends. The company worked towards offloading towers through sale and leaseback arrangements, creating asset-light operations.

Ooredoo Kuwait undertook an efficiency improvement and digitalisation drive in 2022, as part of its strategic aim to become a smart telco and optimise operational costs. The company also completed exercises to increase agility in operations.

Throughout the year, the company focused on elevating digital platforms and services to increase digital revenue, optimise digital transaction costs and improve operational efficiency. This focus aligns with Kuwait 2035 vision for the creation of smart cities, sparking demand for Cloud services, AI technology, data analytics, blockchain technology, VoIP, WAN and M2M learning, all of which have been incorporated into new services being provided by Ooredoo Kuwait.

An example of this can be seen in all 10 Ooredoo branches that became smart branches, with further rollouts scheduled for 2023. The latest technologies for communication were made available via Ooredoo 'Push to Talk'.

A post-pandemic increase in data consumption, and the resulting need for a reassessment of cyber-security and risk management, prompted Ooredoo Kuwait to offer solutions including hosting services – Cloud Computing, Co-Location and Disaster Recover – along with security services such as Managed Firewall Services, Clean Pipe Internet Services and DDoS Protection to all its customers.

Other B2B offerings included 'Shamel Complete', an integrated solution for SMEs that includes more than 10 services such as Office 365, eCommerce and other SAAS applications to support SMEs on their digital transformation journey.

As part of its corporate social responsibility strategy, Ooredoo Kuwait partnered with Morning Hawks, a non-profit group in the country that supports members of the community in need and helps governmental entities and the Fire Department with search and rescue. The partnership included provision of business services such as Push to Talk, Wi-Fi and SIMs for all members of the group.

Outlook

Ooredoo Kuwait anticipates changes in the country's telecom industry due to advancements in technology and network connectivity, as well as regulatory changes that will enable digital transformation, which will enable Ooredoo to better meet customer needs.

The general outlook for the upcoming years includes refinement of the company's strategy, and the creation of initiatives that are relevant to Kuwait's market, to drive success in 2023.

The company sees digital transformation as a key opportunity for 2023 and intends to expand its digital services and further explore new areas of business in which to operate. Many new projects relating to digital transformation are in the pipeline, such as Digital Banking, API Systems and further updates to the My Ooredoo App. Ooredoo Kuwait's aim is to create a digital ecosystem for its customers available at their fingertips, allowing them to fully experience the world digitally through their mobile devices.

"We credit our employees, who work tirelessly giving our customers their unified focus alongside our commitment to innovation and to complete efficiency in delivering our products and services."

Expansion of the Internet of Things market is also expected, as networks become ever more advanced and use cases become more relevant. Fintech is also an area to be explored, as is ICT; the company plans to ramp up its ICT offerings in response to the increase in demand for cloud technology in Kuwait.

Business Review

OOREDOO ALGERIA

UPGRADE YOUR WORLD

"Our focus on network quality and customer experience enabled us to deliver positive performance in 2022. Additionally, our investments in digital infrastructure positioned us to further grow and develop our digital offerings, particularly with our leadership position in 4G services."

Bassam Yousef Al Ibrahim
Chief Executive Officer
Ooredoo Algeria

Awards

Best Place to Work in Algeria
in 2022

Telecom Review Awards
Best African Operator

Best CSR Initiative

Global Carrier Awards
Best ESG Initiative in 2022

Stevie Awards
Bronze Stevie Award

(Most Exemplary Employer in the COVID-19 Response Categories)

Financial Performance

	2018	2019	2020	2021	2022
Revenue KD millions	228.9	208.7	190	188.5	**186.9**
EBITDA KD millions	85.3	72.4	62.1	65.1	**66.2**
EBITDA margin	37%	35%	33%	35%	**35%**
Employees	2,807	2,895	2,955	2,694	**2,491**

Overview

Ooredoo Algeria reported a solid financial performance for 2022, a result of the combined effect of an increase in revenue and prudent control of costs. The company consolidated its position in the market as the leader in 4G network quality and customer experience.

Revenues reached 86.7 billion DZD (KD 186.9 million) in 2022, a year-on-year increase of 2.8%, driven by growth in data and digital revenue. EBITDA reached 30.8 billion DZD (KD 66.2 million), due to increased revenue and the decline in the cost of sales and OPEX, supporting an improved EBITDA margin of 35.4%, up from 34.5% in 2021. The company's customer base increased by 1.6% to 13 million in 2022, in comparison to 12.8 million at the end of 2021.

Positive results in data and digital were a contributor to the increase in revenue, with data revenue increasing by 16.9% year-on-year as a result of growth in the home market, due to greater service usage.

A RAN rollout programme was completed in 2022, with more than 230 new sites and the addition of more than 300 4G sites as well as an L2100 layer in more than 420 sites, increasing 4G coverage from 74.6% to 75.6%. More than 1,000 microwave links were modernised, increasing capacity and improving CX.

Optical fibre rollout continued, adding more than 1,500km of fibre – increasing the backbone footprint by more than 35% – and more than 50km of metro fibre. Core network capacity was expanded by almost 25%, exceeding 450Gbps at year-end.

Digitalisation continued, introducing internal improvements within HR and Facilities Management by digitising processes, and externally with customer contract management as well as accelerating on the transformation of traditional shops into smart stores.

Customer experience remained a priority for Ooredoo Algeria, with the company launching several new or improved offerings. An enhancement of YOOZ – a unique digital offer designed to appeal to the youth segment – and a FIFA World Cup Qatar 2022™ ticket promotion contributed significantly to the growth in popularity of the brand.

Ooredoo Algeria deployed a bespoke Niometrics tool to gain a deeper insight into customer care, while improved connectivity in Ooredoo Algeria's shops helped boost customer satisfaction.

SahlaBox family offers were launched, creating positive impact on customer satisfaction scores, and DIMA mass market offers saw an increase in recharges of 20%.

Fayda, a new digital service, saw its daily usage reaching 126% above expectations.

The company carried out many CSR initiatives during 2022, focusing on supporting the communities in which it operates. Partnerships with local non-governmental organisations such as Winnelka, La Canne Blanche, El Baraka and the Algerian Red Crescent enabled a range of initiatives: helping raise awareness of breast cancer and promoting screening, supporting the blind with Braille tablets, providing school kits for children with disabilities and school bags for children in need, the provision of aid to victims of forest fires, a substantial financial donation to several NGOs supporting orphans, the distribution of sheep to needy families during Eid Al Adha, the organisation of blood drives and a number of activities designed to support the elderly.

The environment was also a priority, with the company organising beach clean-ups, forest clearing and large reforestation operations.

Outlook

A major modernisation of digital infrastructures, combined with continuous rollout activities, including fibre extension, will add capacity and further improve customer experience in 2023. Mobile number portability is also expected to be launched, increasing opportunities to grow our customer base.

Ooredoo Algeria will also continue upgrading its sales channels in 2023, with the aim of reaching 100 franchised shops as well as 60 smart shops across the country.

Focus will be on solidifying the strong competitive position in 4G data, and - with the ongoing liberalisation of the digital economy, and the expected availability of new digital services (including mobile financial services) - investments in infrastructures and organisation will mean the company will be extremely well-positioned to start reaping the full benefits of this from the start of 2023.

"Digitalisation continued, introducing internal improvements within HR and Facilities Management by digitising our processes, and externally with customer contract management."

UPGRADE YOUR WORLD

OOREDOO TUNISIA

"2022 was a year of achievement at all levels. Our core focus was not only enriching people's digital lives, but also upgrading our services, mindset and the way we work with our employees and customers."

Mansoor Rashid Al-Khater
Chief Executive Officer
Ooredoo Tunisia

Awards

Best Customer Service
for Mobile and Fixed for the fourth year in a row

Best Social Responsibility Programme
for the 'Tounes T3ich' corporate social responsibility programme.

Financial Performance

	2018	2019	2020	2021	2022
Revenue KD millions	126.6	123.1	127.7	134.0	**123.5**
EBITDA KD millions	49.3	56.9	54.7	51.8	**54.8**
EBITDA margin	39%	46%	43%	39%	**44%**
Employees	1,585	1,560	1,591	1,437	**1,335**

Overview

Ooredoo Tunisia showed resilient performance in 2022. Service revenue saw positive growth year-on-year, increasing 2.3% driven by a number of factors. Strong results from the fixed sector were achieved, while competitiveness in fibre improved thanks to a robust strategy that enabled the company to develop its positioning as a fixed player supported by the development of its fibre base.

The company consolidated its leadership in the mobile market, ending FY 2022 with a Revenue market share of 46.8%.

Fixed revenue also contributed, despite challenging market conditions and price competition within an aggressive competitive context.

Wholesale revenue was secured, and the company remained competitive in the mobile market, despite further challenging conditions. The shortfall in voice revenue was mitigated by improving data revenue, with the support of a revamp of data bundles. Revenue from digital services recorded an impressive growth of 15%.

EBITDA margin improved by 5.8%. Net profit was positively impacted by a tax settlement, with a favourable impact versus budget due to the waiver of penalties. Year-on-year solid financial position translated into TND 369 million (QR 431.1 million) Free Cash Flow, a 24.9% year-on-year increase.

Supported by the Transformation strategy programme, Ooredoo Tunisia managed to reduce its cost of sales by 3.8% and OPEX by 12% year-on-year, despite pressure from energy costs directly impacting the telecoms sector and the devaluation of the Tunisian currency.

The company registered many notable achievements throughout 2022. The launch of 'Ooredoo EZ' saw Ooredoo Tunisia responsible for the first eGaming platform in the country, with the operator also being the first to launch a mobile app dedicated to Point of Recharge, and the first to activate IPv6 in the presence of the Tunisian Telecom Ministry.

Aiming to enhance connectivity with customers at ground level, and to better understand needs and friction points, Ooredoo Tunisia rolled out a comprehensive programme of initiatives including weekly market visits from Marketing and Contact Centre representatives to capture customer feedback; monthly market visits to shops to evaluate the customer experience and customer journey across the sales network; and introducing the 'Customer Day' annual event.

This enhancement resulted in the best performance for Net Promoter Score (NPS) since the Group brand refresh, with an improvement of 6.3% on a year-to-date basis compared to 2021.

Ooredoo Tunisia's overall CSAT significantly improved in Q4'22 to achieve its highest score in the past one year (72.9%), and reduced the gap with its leading competitor further to only-1.1 pt.

Ooredoo Tunisia undertook several impactful corporate social responsibility initiatives throughout 2022, with perhaps the most notable being its efforts to support the Tunisian government in the wake of devastating wildfires in July. The company collaborated with the Directorate General of Forestry and Greenway on a reforestation campaign in the worst affected areas, with the agreement also encompassing support for the Ministry's strategic plans for the development of the forest sector.

Collaborating with Red Crescent and under the umbrella of its CSR programme 'Tounes T3ich', Ooredoo Tunisia launched several initiatives benefiting children in need and underprivileged families in several areas across the country, during the Holy Month of Ramadan and Eid and throughout the year.

A mobile clinic by Tunisian Red Crescent toured the country in March 2022 with the support of Ooredoo Tunisia, offering free medical checks for diseases such as diabetes, hypertension and breast cancer. Several awareness campaigns relating to these diseases were also organised.

At the outbreak of political tensions in Ukraine, Ooredoo Tunisia offered its customers free calls to Ukraine for three days on all fixed and mobile numbers, enabling those with loved ones in the country to make contact for free.

Highlighting the importance of sport in society, the company held the first 'Ooredoo Night Run', which was one of the biggest sporting events of the year in Tunisia. Taking place in Ramadan, the event attracted many participants and spectators. All registration income was donated to the paediatric cancer unit of Salah Azaiez Hospital.

Outlook

Ooredoo Tunisia moves into the new year with an upgraded customer-centric strategy, focusing on business pillars: to continue leading in mobile; to grow in fixed; to develop B2B and ICT; and to upgrade digital.

The long-term aim of the strategy is to build Tunisia's first cognitive network and transform employees into the company's biggest fans.

Ooredoo Tunisia will continue to extend strategic partnerships between Ooredoo Tunisia and major technology players, aiming to create superior customer experiences and evolve the core into smart telco innovation. The company will work to diversify Tunisia's international connectivity through global subsea cable networks owned and operated by Ooredoo Tunisia.

"Ooredoo Tunisia undertook several impactful corporate social responsibility initiatives throughout 2022, with perhaps the most notable being its efforts to support the Tunisian government in the wake of devastating wildfires in July."

Business Review

OOREDOO PALESTINE

UPGRADE YOUR WORLD

"Ooredoo Palestine continued its rapid growth in overall performance, proceeding with a comprehensive digitalisation programme that has strengthened our market position. The company is at the forefront of the data sector in Palestine, providing the best experience for customers."

Dr. Durgham Maraee
Chief Executive Officer
Ooredoo Palestine

Awards

Stevie Gold Award
Fastest Growing Company

Financial Performance

	2018	2019	2020	2021	**2022**
Revenue KD millions	30.3	30.2	31.2	33.8	**35.4**
EBITDA KD millions	8	9.1	10.3	12.3	**13**
EBITDA margin	26%	30%	34%	36%	**37%**
Employees	534	537	514	520	**527**

Overview

During 2022, Ooredoo Palestine was able to achieve growth in the overall performance of the company financially, commercially and technically, which included an increase in the rate of return from customers, in addition to an increased market share of the business sector. Network quality helped to build customer loyalty, as reflected in an increasing number of 3G customers in the West Bank. The company reported revenue of KD 35.4 million.

Ooredoo Palestine continues to represent a model for digital companies in Palestine, launching a series of development and digitalisation initiatives in various fields. The company has updated the 'My Account' app to be more responsive to the needs of customers, while also growing digital sales through the app and website, adding new services to upgrade people's digital lives. These updates aimed to provide the best experience for customers. In parallel, the company introduced the VOCE project to measure customer satisfaction and develop new initiatives to improve service overall.

The company worked to enhance its brand presence in Palestine through two major campaigns; one focusing on Ooredoo's support for the fastest internet, best network and widest coverage, and the other focusing on the new brand positioning, supported by the message that Ooredoo offers the best customer experience through its presence across Palestinian cities.

Ooredoo Palestine developed dynamic marketing strategies that aligned with customer aspirations and purchasing capabilities, and focused on providing communication and internet packages that were tailored to customers' needs. It launched internet packages for social networking sites, as well as preferential offers for users of the 'Super Comprehensive Bill' programme, and other special initiatives.

For the corporate and business sector, Ooredoo continued to provide the best range of programmes for government and private sector organisations, encompassing small, medium and large companies. This approach added to Ooredoo customer diversity, enabling organisations to conduct their business in an optimal way.

Since Ooredoo Palestine is a proud supporter of its community, the company made many contributions to different sectors, including sports and youth, while continuing to sponsor Palestinian football in the West Bank and Gaza Strip for the seventh year. Investing in youth and human potential, the company provided sponsorship to Injaz Palestine, which trains Palestinian students in universities and schools to establish pioneering projects. The company sponsored health days in Palestinian universities to raise awareness of breast cancer. The company also made charitable contributions in the Holy Month of Ramadan to the SOS Children's Villages organisation, in addition to supporting orphanages in Hebron and Gaza.

The efforts of Ooredoo investors to support the company over recent years with advice – offering in-depth experience and more – has enabled the company to face its challenges from a position of stability. Specifically, Ooredoo Group and founding investor Palestine Investment Fund continue to play major roles in supporting the company.

Outlook

Ooredoo Palestine is preparing and developing strategic plans to launch 4G services in the West Bank and Gaza Strip, working to be fully prepared to start implementing the programme when regulatory approvals are in place. Digitalisation and development of services will enable the company to keep pace with the latest global technology and continue to provide the best customer experience.

"Ooredoo Palestine developed dynamic marketing strategies that aligned with customer aspirations and purchasing capabilities, and focused on providing products that were tailored to customers."

UPGRADE YOUR WORLD

OOREDOO MALDIVES

"This year was characterised by exciting partnerships, technological innovations and steady growth. Our dedicated workforce continues to thrive, bringing great benefits to our consumer sector and business customers alike, despite the challenging and competitive conditions."

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

Awards

Stevie Awards

Gold Stevie – Innovative Achievement at the 2022 Asia-Pacific Stevie Awards

Bronze Stevie – Company of the Year at the 2022 International Business Awards

President's Tourism, Gold Award

A token of appreciation for the company's contributions to the national tourism industry

Maldives National Defence Force Awards

Appreciation Award

Financial Performance

	2018	2019	2020	2021	2022
Revenue KD millions	38.2	40.2	34.3	35	**38.2**
EBITDA KD millions	19.7	22.1	17	17.2	**20.5**
EBITDA margin	52%	55%	50%	49%	**54%**
Employees	359	370	366	370	**367**

Overview

Ooredoo Maldives has built a firm foundation for growth in 2023 after a challenging year, with the company's revenue market share (RMS) trending 2% positive and market leadership in the mobile segment. Digital adoption continues to drive significant growth across Maldives, supported by Ooredoo Maldives' 'SuperApp' strategies.

The company reported revenues of KD 38.2 million in 2022, up 8% in comparison to the previous year. EBITDA for the year was KD 20.5 million (2021: KD 17.2 million) and EBITDA margin was strong at 54%.

Challenges arose from the international situation, where global inflation and supply chain issues affected plans for business expansion. The Russia-Ukraine conflict reduced tourism numbers, which in turn impacted roaming revenues.

Government intervention on pricing affected the fixed broadband sector, following the introduction of a price reduction regime designed to encourage lower rate plans and regulate throttled speed. In response, Ooredoo Maldives looked to grow revenue by increasing customer numbers and expanding internet services to new islands.

In the mobile segment, Ooredoo Maldives responded to fierce price competition with disruptive short-burst promotions, driving stickiness through enhanced customer benefits.

By accelerating digital adoption in sales and customer care, and launching personalised CVM programmes, Ooredoo Maldives achieved a significant increase in customer engagement. The company also upgraded its Digital Care Assistant, 'Evee,' which is its first-ever AI-powered digital care assistant, enabling customers to interact in Dhivehi language. These initiatives were complemented by festival-themed promotions and FIFA World Cup Qatar 2022™ tie-ins.

As part of its transformation journey, Ooredoo Maldives maintained its value-focused portfolio and strengthened its core. The company worked to extend SuperNet penetration throughout the year, which grew 36% year-on-year in 2022 with network expansion into 20 new islands. The company also extended its 5G network to the Greater Malé region, providing coverage for more than 40% of the population.

Responding to digital demand, the company launched the international gaming platform, 'Ooredoo Nation – Gamers' Land' in June, leveraging the company's 5G network as well as local and international partnerships. In support of the fast-growing and dynamic eSports industry, Ooredoo Nation hosted a series of local and international tournaments in 2022.

Partnering with Snapchat, Ooredoo Maldives launched a user acquisition and engagement campaign based upon free data allowances and paid data packs, with the added attraction of virtual reality and a geo-filter. Other m-Faisaa partnerships included FSM, the Ministry of Islamic Affairs, EyeCare, Vision Opticals, Dream Inn Guest House and Fins and Dive Leisure Guest House.

The company continued to promote training and retraining, upskilling employees through leadership, competency and skill development as well as professional certifications, with an average of 18 hours of training per employee in 2022. By partnering with ACCA, Ooredoo Maldives is now a certified institute where students can gain their ACCA professional membership.

Employee Communication Forums promoted engagement, while the team conducted Corporate Social Responsibility initiatives to contribute to the community, such as donating health kits to 165 Health Centres across the nation.

Ooredoo Maldives also hosted its first upgraded version of the Ooredoo Colour Run, called 'Ooredoo Fun Run – The Happiest Run in the Maldives,' which attracted more than 5,000 participants from across the nation.

Cost optimisation initiatives improved operational efficiency with effective cost control measures to ensure business continuity, backed by digital channel-based offerings to improve intermediate costs and customer experience. OPEX and CAPEX optimisation helped maintain steady free cash flow. All these initiatives will be kept under constant review.

Outlook

With a number of potential external challenges on the horizon – inflationary, recessionary, tourism-based, regulatory and political – Ooredoo Maldives will draw upon its strengths as a Smart Telco to withstand the pressures and thrive. In 2023, growth will be driven by the 5G network and growth in SME and B2B segments. As Ooredoo Maldives accelerates digital adoption, the company will focus on new revenue streams, such as eCommerce and digital financial services. By expanding its fixed broadband presence across Maldives, Ooredoo Maldives aims to enhance and grow its network.

In addition, Ooredoo Maldives will leverage the increased connectivity of international and domestic subsea cable. Ooredoo is partnering with PEACE Cable to connect Maldives with Singapore and Europe via a new branch between Kulhudhufushi and the trunk of PEACE Singapore extension, which is due to land at Kulhudhufushi in 2023.

Proposed IT platform enhancements for 2023 will see the company increase operational and cost efficiency while improving service delivery for customers. The completion of a new office building will signal Ooredoo Maldives' commitment to major strategic projects and support for the technological aspirations of the nation.

03 ESG REVIEW

Environmental, Social and Governance Report

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

Environmental, Social and Governance Report

1. Overview

The Environmental, Social and Governance (ESG) section provides an overview of our approach to sustainability and our commitment to international initiatives, as well as our practices and progress on those issues that we consider most material to our business. For this sustainability performance coverage, we have collected performance data for the years 2020-2022 across our nine markets in Qatar, Algeria, Iraq, Kuwait, Maldives, Myanmar, Oman, Palestine and Tunisia. Our operations in Indonesia and associated information such as Revenue, EBITDA, customers and CAPEX are no longer consolidated in this report due to the merger of Indosat Ooredoo (IO) and Hutchison in Indonesia as of January 4, 2022. The operation between IO and Hutchinson, now 'IOH', is classified as a joint venture company. The disclosures in our report are aligned with the requirements of Qatar Stock Exchange Guidance (QSE) on ESG Reporting. Our intent is to continue and maintain publishing an annual update on our activities and efforts towards sustainability going forward.

1.1. Our Commitment

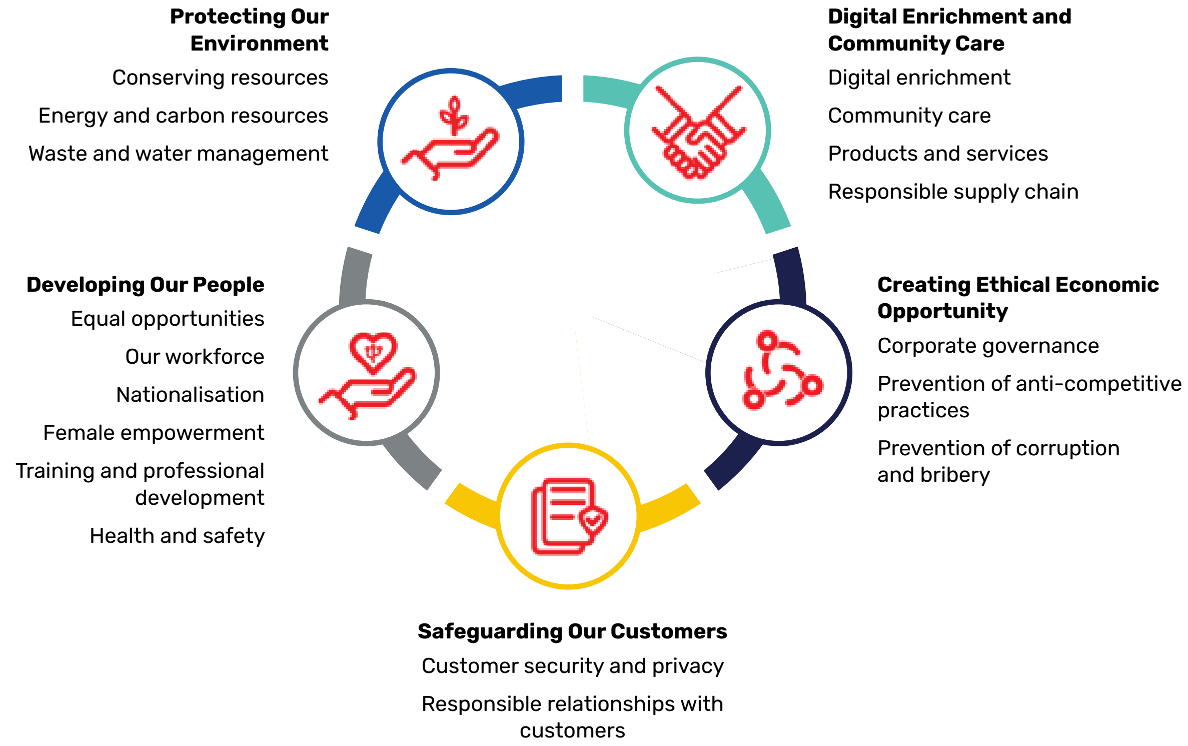
Ooredoo is committed to the United Nations Sustainable Development Goals (UN SDG), which aim to eradicate extreme poverty, improve the lives of people and create an all-round healthier world for tomorrow and the future. At Ooredoo, we are committed to the highest standards of environmental protection. As an industry leader, we are working to the best of our ability to reduce our ecological footprint. Ooredoo's digital products aim to assist customers in reducing their impact on the environment while still being able to receive the services that matter most to them. We promise to deliver not only on our customers' aspirations, but also work towards building a sustainable legacy too.

We are committed to leveraging our expertise in mobile technology to bring about positive social and economic change. Across our international footprint, we are working to become digital enablers, helping people to reach their potential and making a real difference in the communities we serve. While our impact relates to many of our goals, our approach is focused on the **following three objectives:**

Detailed information on how we work towards each goal can be found at **www.ooredoo.com/ESG**.

1.2. Our Sustainability Framework and Key Topics

We are working as a digital enabler across our markets and our aspiration is to help people simplify their lives and enjoy exciting and rewarding digital experiences. We continue to maintain our commitment to leveraging our expertise in mobile technology to bring about positive social, environmental and economic change. To help achieve this, we have made ESG a key priority, developing a Sustainability Framework to guide our efforts. Built around five key pillars, the Sustainability Framework is aligned with our mission and values, and global standards and frameworks. This year, we have slightly updated our framework and key material topics, in alignment with global ESG disclosures, and key material issues within the telecommunications sector applicable to our business.



1.3. Our Sustainability Highlights

89.8% nationals across total workforce	Recorded ZERO incidents of discrimination	Recorded an approx. 8.7% decrease in total GHG emissions in Asiacell Iraq
1.3% increase in females across total workforce	965 Gigajoule of generated renewable energy in Ooredoo Qatar	50% of Board seats now occupied by women in Ooredoo Maldives
46% female employment rate in Ooredoo Myanmar		
More than USD 46 million in community investments	55.5% increase in workforce aged under 30 in Ooredoo Oman	ZERO number of substantiated complaints concerning breaches of customer privacy

2. Digital Enrichment and Community Care

As a community-focused business, we are committed to using our services to improve people's lives and promote human growth. We believe that the social and economic growth of the communities to which we offer services are better supported with the value our mobile technology provides, particularly mobile broadband. By fostering digital opportunities and ensuring accessibility to all customers irrespective of their location and background, we use the strength of our capabilities to contribute to the wellbeing of people.

2.1. Digital Enrichment

With our ambition to drive organisational transformation and employee development to enhance business performance, we are constantly seeking to increase the speed, connectivity and coverage of our network in order to provide accessibility to all with a reach as far as remote areas, and to ensure our global networks' resilience in order to satisfy our customers' growing digital needs.

As we respond to changing demands and new challenges, Ooredoo continues in its digital transformation strategy by continually improving its Organisational Health Index (OHI), now establishing a launchpad to incubate ideas in terms of internal efficiencies and the external service portfolio to deliver a sustainable digital ecosystem. We develop skills sets, endless opportunities and several digital initiatives to further understand the collective readiness to embrace and establish a digital ethos in all aspects of daily operations. Engaging our staff in the global digital race, we have been conducting Design Thinking sessions with employees, enabling us to generate ideas and solutions such as 'Unique Shopper', 'Ooredoo Magic Box' and 'Ooredoo e-clinic'.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	**Ooredoo Tunisia:** Introduced the 1st launch of 'Spotify' in the Tunisian Market and the 1st launch of 'Ooredoo EZ Platform' for eSports and gaming, organising two successful tournaments in 2022, providing participants with greater accessibility to competitive gaming and the eSports community in Tunisia. **Ooredoo Myanmar:** Continued providing digital connectivity for 250 libraries across the nation transforming them into digital access libraries. **Ooredoo Palestine:** Launched the 'Ivalua's Platform' (Sourcing Platform), a resilient digital transformation initiative that allowed employees to locate, retrieve, archive and analyse procurement and non-procurement contracts.

2.2. Community Care

We advocate prosperity of communities and focus on providing solutions regarding women's empowerment, youth entrepreneurship and underserved communities in our markets, running initiatives each year to support this commitment and encouraging our employees to volunteer.

Overall, our OPCO's have donated and contributed a total of more than USD 46 million in community investments.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
8 DECENT WORK AND ECONOMIC GROWTH	8.5. By 2030, achieve full productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.	**Asiacell Iraq:** Coordinated with the United National Development Programme (UNDP), International Organisation for Migration (IOM), Civil Development Organisation (CDO), and many global and local organisations to develop social and economic aspects of the community. The project included many activities such as training and developing skills, supporting schools and universities, supporting entrepreneurs and start-ups, training camps for mobile applications and coding classes for children. **Ooredoo Tunisia:** Launched the Tunisia Talent Factory, an NGO that aims to bridge the gap between education and the job market in the country by providing training, mentorship and job opportunities for young Tunisians in the technology industry. **Ooredoo Myanmar**: Donated 4,000+ wireless routers with data loaded SIMs.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
3 GOOD HEALTH AND WELL-BEING	3.4. By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being. 3.4.1. Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease.	**Ooredoo Qatar:** UNHCR (UN Refugee Agency) participated in Ooredoo Qatar's Marathon. The agency highlighted the large impact of Ooredoo's Marathon on the health awareness of employees and participants. **Ooredoo Maldives:** Started an initiative to donate essential Health Kits to all 166 Health Centres across the nation to help them provide essential and necessary care. The health kits included essential equipment such as stethoscope, digital sphygmomanometer, pulse oximeter, otoscope, digital thermometer and a nebuliser machine. **Ooredoo Tunisia:** Collaborated with the Red Crescent to conduct surveys and one-to-one interaction with the local community on key areas around social issues. Ooredoo Tunisia launched its CSR programme 'Tounes T3ich' and has been focusing on the first pillar of its programme, health, making significant progress in providing medical services through its mobile clinic to thousands of people around the region.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
5 GENDER EQUALITY	5.1. End all forms of discrimination against all women and girls everywhere.	**Ooredoo Palestine:** Became a sponsor of the Palestinian football Professional League and the Palestinian Women's National Team. **Ooredoo Oman:** Ooredoo marked Omani Women's Day by holding the fifth annual Women's Incubator Forum. The annual forum brought together women's associations, female employees and short code partners from charitable associations and charity teams, alongside low-income families under the umbrella of the Ministry of Social Development, to explore innovative ways to help businesswomen in Oman reach their full potential for the benefit of themselves, their families and the wider community. **Ooredoo Algeria:** Launched Women Leadership Empowerment with Dale Carnegie Institute, Women Engineering Day, Women Tech Talk and an entrepreneurship programme.

2.3. Products & Services

We are committed to delivering products and services that serve our local communities, foster development, and preserve natural resources. We seek to cover the various regions of operation in terms of the network and provide the highest service quality to our customers.

Ooredoo Myanmar has extended its widespread network that covers greater than 95% of population ensuring that their products and services are available in all parts of the country across all cross sections of population. Ooredoo Myanmar also offers products starting from 99 Ks right up to 9,999 Ks to ensure all customers are able to afford these, ensuring availability, reach and adoption to bridge the digital divide.

2.4. Responsible Supply Chain

Through our Corporate Guideline on Ethical Conduct and Fair Practices, we have formally agreed to ensure that social and environmental factors are considered throughout our supply chain. We have also included an obligation for all suppliers to adhere to Ooredoo's standard customer privacy obligation guidelines. All of our group framework agreements and tender documents include a clause requiring adherence to the Ooredoo Health, Safety, and Environmental Policy.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.7. Promote public procurement practices that are sustainable, in accordance with national policies and priorities.	**Ooredoo Algeria:** Ensured that work with certified vendors now includes specific articles into contracts that protect human/children rights, ensure proper health and safety work conditions, prevention of corruption and bribery, encouraging ethical business practices and compliance with internal governance. **Ooredoo Tunisia:** Amended its tendering procedure by adding technical evaluation criteria in accordance with ISO: 14001 requirements.

3. Creating Ethical Economic Opportunity

We are committed to maintaining the highest standards in all our operations and activities and encourage honesty among our stakeholders. We created a Corporate Ethics Framework for our operations to provide our investors and stakeholders with assurance of our commitment to ethical economic opportunity.

3.1. Corporate Governance

Our Corporate Governance Department is in charge of supporting management and the Board of Directors in making sure that corporate governance practices and policies are effectively implemented throughout the Ooredoo Group and its subsidiary entities. The Department supports the Board of Directors in its yearly review and evaluation of compliance with the Code of Conduct and oversees the Corporate Governance Code's implementation in all Ooredoo Group companies.

We have a specific whistle-blower report form in place that can be accessible via www.ooredoo.com to allow easy access for anyone seeking to raise observations or report misbehaviour. We have now also developed and published a new Human Rights Policy and Data Security Policy.

Ooredoo Qatar has been certified with the ISO 22301:2019 Business Continuity Management System an enterprise-wide implementation scope. Ooredoo Qatar has successfully passed the recertification audit and was awarded with the latest version of the international standard which ensures Ooredoo Qatar's readiness to respond to and recover from disruptive incidents with the least disruption to business and provides assurance to stakeholders with regards to its resilience and robustness.

3.2. Prevention of Anti-competitive Practices

We abide by rules and regulations that govern anti-competitiveness, as we believe that prosperous economies are more sustainable when there is fair competition. Our Code of Ethics outlines important commitments that protect honest, competitive business operations. These commitments are endorsed by our Group's senior management and all subsidiaries. We have Guidelines for Ethical Conduct and Fair Practices in place which must be followed by all suppliers engaging with Ooredoo Group. We take pride in upholding the highest ethical and legal standards in all aspects of our business operations, and we hold our business partners to a same standard of fair dealing, moral behaviour, corporate honesty, and openness.

3.3. Prevention of Corruption and Bribery

In most of our standard form agreements, we agree to comply with applicable anti-corruption laws, defined as any anti-corruption laws that are applicable to Ooredoo, its Affiliates, Suppliers, this agreement or any purchase order, which may include (where applicable) the US Foreign Corrupt Practices Act and the UK Bribery Act. We regularly run online training programmes for our employees. Our employees also sign our Code of Conduct on an annual basis, ensuring compliance and commitment to our Code of Business Conduct and Ethics.

4. Safeguarding our Customers

Customer satisfaction is our number one priority. We place particular importance on each customer's privacy and data security. We therefore continue to maintain and implement measures to ensure that all information, data and privacy is safeguarded.

4.1. Customer Security and Privacy

In compliance with our Customer Charter, Privacy Policy and local laws in the jurisdiction of each our markets, we seek to protect customer data at all times. All our activities have received ISO 20000-1 certification for superior IT service management systems and ISO 27001 certification for information security management systems. In order to achieve our objectives, these management frameworks help our Governance, Risk & Compliance personnel establish, monitor and continually improve information security operations.

All of our operations are founded upon a set of comprehensive security and data protection measures, starting from saving customers data in encrypted format within databases levels, to applying adequate prevention measures, escalating to advanced IT solutions and employee trainings. To keep pace with potential threats and cybersecurity risks, we regularly update our policies in place, perform access control reviews and security assessments and introduce advanced prevention measures. The process we use to manage information security risks aims to decrease any negative effects on information assets to a manageable level. Our primary focus areas include vulnerability management processes, incident monitoring, response and recovery processes, patch management and identity and access management. We do not knowingly collect personal data from children. For more information, please refer to our Privacy Policy available on our website.

4.2. Responsible Relationship with Customers

As stated in the Client Charter, we are dedicated to fostering respectful customer relationships and enhancing customer service. To ensure a structured and reviewed complaints handling processes, all of our operations have been ISO 9001 certified since 2020. We are dedicated to providing complete transparency about our goods and services. As a result, our terms and conditions as well as details about prices, services and offers are specified clearly on our website and on our app, and are available upon request 24 hours a day from our customer service representatives via phone, chat, or WhatsApp.

Customers can voice complaints over the phone, through our applications, on our website, through social media, or in our physical locations. In each of our markets, we routinely conduct customer satisfaction surveys. These surveys assist us in understanding what matters most to our customers.

Looking forward, Ooredoo Myanmar is committed to initiate Customer Reputation Management tools and processes in 2023. The proposed initiative has the objective to capture Customer's voices, sentiment across social media and online group, forum, and community. Feedbacks from customers has enabled Ooredoo Maldives to understand the strengths and area of opportunities and where corrective actions may be taken supporting their decision-making and strategic approaches.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.6. Develop effective, accountable and transparent institutions at all levels.	**Ooredoo Qatar:** Adheres to customers' data privacy and data protection policies and publishes privacy notices on its website. Information Security programmes and technical controls are aligned with industrial information security best practices. Ooredoo Qatar implemented advanced multiple layers of access control mechanisms and regular awareness training on data privacy and protection as well as information security for all employees and consultants. Information Security compliance is established to measure control effectiveness and compliance with Information Security policies and applicable laws and regulations. In addition, Ooredoo Qatar is certified and conducts internal and external independent audits including ISMS ISO 27001, Financial ICOFR, etc. at least once a year. **Ooredoo Kuwait:** Has been committed to manage data protection and data security under the guidance of Kuwait Regulatory - Communication and Information Technology Regulatory Authority (CITRA) and put into practice by implementing the required policies

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.6. Develop effective, accountable and transparent institutions at all levels.	**Ooredoo Kuwait (cont.):** and procedures. The Privacy Policy is published on our website www.ooredoo.com.kw including user rights on their individual data. External Audits are conducted more than once a year that includes (1) Financial – ICFOR (2) ISMS – ISO 27001/27017 (3) PCI DSS 3.2.1. NOT limited to Internal Audit and (PIC) Process in Checks plans that are covered at least once a year. Ooredoo Kuwait has an ISMS compliance programme in place and certified standards evident with ISO/IEC 27001:2013; ISO/IEC 27017:2015 & PCI DSS 3.2.1 Certifications, which addresses key requirements of Security awareness through a digital programme, incident management system and Quarterly access reviews. **Asiacell Iraq:** Implemented advanced state-of-the art multiple layer threat detection and prevention solutions (layered security approach) that have multiple security, firewalls and data loss prevention measures with 24/7 security assessments. **Asiacell Iraq:** Introduced 'Security by Design' concept, whereby all or any products and systems introduced in Asiacell Iraq have to pass mandatory security requirements. **Ooredoo Oman:** Information security and data protection is part of every supplier and vendor contract, and every contract requires proportionate third-party minimum security. **Ooredoo Algeria:** Every Ooredoo employee is enrolled on an internal Cybersecurity awareness programme that familiarise employees with Cybersecurity risks that requires a passing test at the end of the programme. Ooredoo Algeria has been ISO 27001 certified since 2012. **Ooredoo Palestine:** Has a SIEM (Security Information and Event Management) log server in place that captures, records, and monitors all critical events in all critical system components within Ooredoo Palestine, an addition to the Privileged Access Management (PAM) system that is used as a multi factor authenticator, when an employee attempts to log into a critical system in the company. **Ooredoo Myanmar:** Won the Bronze Stevie® Award for Innovative Use of Technology in Customer Service in Telecommunications Industries at Asia-Pacific Stevie® Awards 2022 and the Bronze Stevie® Award for Achievement in Customer Satisfaction at 19th Annual International Business Awards® in 2022. **Ooredoo Tunisia:** Has an information security policy in place. The policy includes a dedicated privacy and data protection section. Ooredoo Tunisia Mghira Data Centre has been ISO 27001- certified since 2016. All information security audits are conducted at Ooredoo Tunisia at least once a year via internal and external independent audit. In addition, information security trainings are provided for selected employees and an information security awareness programme covering all employees is in place. **Ooredoo Maldives:** Established an Information Security (IS) Policy based on multiple international standards including ISO 27001 and the Payment Card Industry Data Security Standard (PCI DSS). The company conducts Vulnerability Assessments and Security Reviews to prevent any kind of data breach and misuse.

5. Developing Our People

The development of our people's talent is essential to our business, taking into account the continual advancement in digitalisation and telecommunication technology in our industry. Therefore, we ensure our employees are provided with the necessary learning tools and programmes required for their professional development.

Ooredoo is committed to investing in the development of young national leaders, focusing on their training, development and support opportunities. Individual development plans, management, and leadership development programmes, as well as coaching and mentoring, are all in place to help the company develop and retain its best people. A group-wide level an investment has been made into a Leadership Development Programme on yearly basis with globally ranked institutions.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
8 DECENT WORK AND ECONOMIC GROWTH	8.5. By 2030, achieve full productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.	**Ooredoo Palestine:** Launched a new improved leadership development programme and the award-winning Young Leadership Programme. **Ooredoo Kuwait:** Dedicated 1,400 hours for talent development, offering 813 unique courses and training 253 employees. **Ooredoo Qatar:** Have been putting measures in place to foster employee development. The company has been providing several learning and development programmes, such as Learning Agility Programme that focuses on various cross-functional digital competencies that are essential in the digital transformation journey. Moreover, Ooredoo Qatar supports the innovative thinking of its employees, where the company conducted 10 Design Thinking sessions with more than 200 employees, enabling the generation of 20 ideas, prototypes and solutions. **Ooredoo Myanmar:** Awarded as the best Employee Engagement Company of the Year at Employee Engagement Leadership Awards, presented by World HRD Congress 2022. Awarded with Gold Stevie® Award for Innovative Achievement in Human Resources at Asia-Pacific Stevie® Awards 2022.

5.1. Equal Opportunities

We prioritise fostering a welcoming, inclusive workplace where everyone is valued equally and is aware that upholding moral principles is essential to the success of our company. We are therefore committed to preventing any type of discrimination, and will continue to maintain our employees' health, wellbeing and safety.

We are formally committed to promoting equal opportunity in all of our operations, as stated in our Code of Business Ethics. Our HR policy guarantees that all candidates and employees receive equal treatment in hiring, promoting, transferring, compensation, benefits and all other employment-related decisions, regardless of race, colour, marital status, parental status, ancestry, gender, age or disability. In the event of a dispute, a grievance procedure is in place, and we encourage continual communication between management and employees.

5.2. Our Workforce

With more than 11,000 employees over our nine operating companies in nine different countries, we are proud to be represented as a diverse and inclusive workplace, representing one of the widest numbers of diverse nationalities across the telecommunication sector. We manage to maintain our diversity and equality by promoting youth and women empowerment. Ooredoo Qatar now has around 56 different nationalities representing its workforce.

5.3. Nationalisation/Local Employment

In alignment with national visions and agendas in our jurisdictions, we remain one of the highest employers of nationals in the countries within which we operate. We deploy measures that promote the development and hiring of national employees. Such measures include development programmes, scholarships and sponsorships, succession planning, diploma and secondary school development programmes, as well as others.

5.4. Female Empowerment

We champion female empowerment in our organisation, supporting our female staff in overcoming any barriers which prevent them from pursuing their own economic and social development. We promote women's inclusion in all parts of our business. We recognise that the performance of our operations improves with greater gender equality and that women's empowerment is an essential component of promoting the International Labour Organisation's (ILO) Decent Work Agenda.

In order to fulfil our commitment, we have been developing projects specifically created to help women access and use information technology in a way that works for them, in accordance with our HR Policy and commitment to equal opportunity. Initiatives at Ooredoo Group included sponsoring a full women's month in March 2022, and the first edition of the Ooredoo Women Summit. Ooredoo Group and Ooredoo Qatar have both increased maternity leave days as part of a recent revision of HR policies. Mothers of children with disabilities have also been provided with enhanced flexibility in their work schedules.

Following the achievement of Ooredoo Maldives' equal representation of women and men in the Board of Directors, as well as their appointment of their first female Chairperson, Ooredoo Palestine appointed its first female Board member and promoted three other women to senior leadership positions.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
5 GENDER EQUALITY	5.1. End all forms of discrimination against all women and girls everywhere.	**Ooredoo Qatar:** Ooredoo Qatar recognised the performance of female employees by deploying special recognition awards based on peer recognition and customer service. Moreover, Ooredoo Qatar revised HR policies to female employees to enhance maternity and escort leaves. **Ooredoo Kuwait:** Advocated for gender equality in workplace through dedicated training Programmes to advance women in leadership positions and mentorship/coaching opportunities. **Ooredoo Algeria:** Fostered women's empowerment in the workplace by enrolling Female Managers in Training & Development programmes to help them increase their leadership abilities. **Ooredoo Myanmar:** Awarded for Women's Empowerment at the Asia's Excellence Awards 2022 (Tech Age Girls Project) and continued supporting Tech Age Girls programme to train 200+ young women in leadership and computer skills.

5.5. Training and Professional Development

We understand the significant impact our employees have on the company's operations and the communities we operate in. We are committed to providing our employees with the tools and skills required to maintain pace and capability with rapid market advancements.

We provide our employees with induction programmes, talent development, succession planning, leadership development programmes and external scholarships. While developing local talent, we provide employees with focused competencies programmes following periodic performance reviews. Depending on the skills required, employees are provided with in-house, online and live training.

In Ooredoo Myanmar, 279 employees attended different types of training on Coursera learning platform with an average of four courses completed per employee. Apart from Coursera online learning, Ooredoo Myanmar organised several training programmes internally or externally for its employees, such as Leadership Development Programme, Senior and Middle Management Leadership Competency Framework, Giving/Receiving Feedback, Business Continuity Management, Enterprise Risk Management, Supervisor Coaching Programme through 'CoachHub' and Senior and Middle Management Mentoring Programme.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
8 DECENT WORK AND ECONOMIC GROWTH	8.5. By 2030, achieve full productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.	**Ooredoo Qatar:** Established a formal policy that covers Training & Development across the organisation and the overall training needs of the workforce, which is summarised in the company's training plan as part of the yearly business plan cycle. **Ooredoo Oman:** Implemented the 'tatweer' programme facilitating employees and their managers to enhance discussions to understand and identify their learning development needs.

5.6. Health and Safety

We value our employees and therefore we prioritise their health, safety, and wellbeing. Our Occupational Health and Safety Management System covers all workers including employees, consultants, contractors, and visitors. In addition, we have ensured we have processes in place to identify hazards and assess risks relating to the incidents, to determine corrective actions.

Ooredoo Qatar has executed HSE enhancements project on fire safety and emergency preparedness at critical Ooredoo Qatar sites during 2022. In Ooredoo Tunisia, the occupational health and safety policy has evolved into an HSE policy to integrate the environmental protection component. They conducted an awareness campaign; "Your health is our concern" and raised health awareness digitally. Asiacell Iraq has conducted many training courses about first aid and how to use firefighting extinguishers to train employees on fire emergency response. Both Ooredoo Myanmar and Ooredoo Oman reported zero fatalities and zero LTI's in 2022.

Ooredoo Qatar scored 82% in the Annual Organisation Health Index Survey, a +2% increase vs 2021 OHI Score - which indicates very strong organisational health. This score ranks in the top 10% and is comparatively higher than benchmark peer organisations within the telecom industry and in the MENA Region.

In Ooredoo Maldives, we closed the year 2022 with a staggering Organisational Health Index ("OHI") score of 93% which is a 4% increase compared to 2021. In addition, an Eye Camp was held for all employees with arrangements to obtain spectacles on the spot if required.

6. Protecting Our Environment

6.1. Conserving Resources

The digital nature of the products has helped to facilitate the reduction of resource use and ecological footprint across our organisation and customers. Our efforts to conserve resources are showcased in the following sections based on the nature of reductions made or targeted.

6.2. Energy, Carbon and Emissions

In telecommunication sector, the main source of environmental impacts stems from energy use required for our operations. Our goals in terms of energy and emissions are to cut back on and optimise both our use of energy across our operations as well as all associated GHG emissions. There are several initiatives that have been implemented throughout our operations that have now been achieved or are still under implementation to improve building management systems. This has included replacing conventional lights with LED lights. Mechanical, Electrical, and Plumping (MEP) systems are also being optimised to reduce energy use and other environmental impacts. We are committing to and studying the use of solar power where economically possible

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
	13.2. Integrate climate change measures into national policies, strategies and planning. 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	**Ooredoo Qatar:** Switched GSM sites powered by diesel generators to Kahramaa supply (Grid Electricity) in 2022. It is expected to reduce energy consumption and consequent carbon emissions in 2023 significantly. **Ooredoo Kuwait:** Studied the switch from diesel generator tower sites to an environmentally friendly grid system connection. **Ooredoo Tunisia:** Installed anti-solar reflective films in their headquarter and technical building, that can reduce up to 80% of the sun's heat from entering the buildings through the windows and reduce air conditioning needs. Maintained ISO 50001 certification of the Energy Management System (EnMS). Organised the first edition of Ooredoo Energy Forum in partnership with the main stakeholders of the national energy sector, to set up an action plan to mitigate risks related to energy security and costs and climate change impact.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
	12.2. By 2030, achieve the sustainable management and efficient use of natural resources.	**Ooredoo Myanmar:** Collected used engine oil and filters from the sites and stored at warehouse to prevent earth pollution and disposed via Licensed Waste Contractor and Regularly Preventive Maintenance/ MOH is carried out in DG sites for reducing the Carbon emission and prevent excessive noise. **Ooredoo Maldives:** Connected sites to golden line, National Grid Power (NGP) and converted about 700 sites to a lithium system. They plan as well to install another 700 Lithium System Units and connect the remaining sites that are off grid to NGP. **Ooredoo Qatar:** As part of the newly developed QSHE policy the company's commitment to preventing pollution and minimising environmental impacts has been included. **Ooredoo Tunisia:** Implemented several initiatives regarding transportation such as, optimising the ridesharing in taxis and Ooredoo cars, increasing the shuttle numbers to cover most parts of Great Tunis, and minimising transport lines where possible. **Ooredoo Myanmar:** Finished the electrification of 71 sites with grid, and enhanced 313 batteries backup at off-grid sites.

6.3. Waste and Water Management

In the last few years and more notably after COVID-19, there has been significant inclination towards digitalisation throughout all sectors. We are committed to reducing resource use and to align with universal efforts to adopt recycling initiatives. Across our operations, we aim to maintain our waste recycling initiatives and raise awareness on reducing waste.

UN Sustainable Development Goals (SDGs)		Ooredoo's Contribution
	12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	**Ooredoo Qatar:** Emphasised the impact of generated, recycling 83% of the non-hazardous waste generated in 2022. **Ooredoo Palestine:** Switched to using paper shredders with 30-tonne capacities to ready wastepaper for further recycling processing. **Ooredoo Oman:** Started moving toward digitalisation to reduce plastic SIMs (e.g. e-sims) and paper as well by using more soft copies rather than hard copies. **Ooredoo Kuwait:** Started to comply their product, goods and material uses, according to environmental sustainability requirements, such as minimising daily materials consumption such as paper, printing inks using an approved quota and also digitising key document forms which will have impact on saving resources and transportation too. **Asiacell Iraq:** Reduced their drinking water consumption by 3.2% through raising awareness among employees on the scarcity of water in the region. **Ooredoo Myanmar:** Collected used engine oil and filters from the sites and stored at warehouses to prevent soil pollution and disposed it via Licensed Waste Contractors. Conducted 3382 site E&S inspections in 2022 and found minimal Oil/ Fuel spills, with minimal housekeeping issues successfully closing findings implemented by OML designated vendors/third parties. **Ooredoo Maldives:** Has now implemented planned automation of all its main manual business processes

04

CORPORATE GOVERNANCE REPORT

Living up to our values and supporting best practices

Contents

Rule 1

Construct a Balanced Board Composition

The main role of the Board of Directors is to lead the company in protecting the interests of the shareholders and to achieve the balance between these interests and the company's operational goals. The Board's leadership is pioneering within the framework of active and keen directives that allow risk assessment and management. The Board of Directors possesses full authority and power to manage the company.

The Board comprises of seven members elected by secret voting by the company's General Assembly of shareholders. The Chairman and Vice Chairman are chosen by the members of the Board in accordance with the provisions of Article (183) of Companies Law and Article (16) of The Company Articles of Association, amended December 30, 2012. Members of the Board of Directors were re-elected in the General Assembly meeting held March 19, 2019. Following is a list of the Board of Directors.

Name	Title	Role	Educational Background	Election/ Appointment Date
Mohammed bin Abdulla Al Thani	Chairman of the Board	Non-Executive	Bachelor's Degree, Business Management Over 20 years of leadership and operational experience	October 27, 2020
Abdulla Ahmed Al-Zaman	Vice Chairman	Non- Executive	Master's Degree, Business Management and Financial Sciences More than 20 years of experience in leading financial management and auditing	March 14, 2019
Ali bin Jabr Al Thani	Member of the Board of Directors Non-Executive) (Member	Non-Executive	Bachelor of Law years of experience in 13 legal and administrative work	March 16, 2022
Dr. Hamad Yahia Al-Nuaimi	Member of the Board	Non-Executive	PhD in Business Administration More than 20 years of experience in administrative and operational leadership	October 27, 2020
Dr. Yousuf Mebrek Al-Sellili	Member of the Board	Independent	Doctor of Law Over 20 years of experience in legal and academic work	October 27, 2020
Mohammed Sabri Al-Zaidan	Member of the Board	Non-Executive	Master of Business Administration Over 15 years of experience in project and network management	October 27, 2020
Nael Abdulla Al-Awadi	Member of the Board	Non-Executive	Bachelor of Business Administration Over 20 years of corporate management experience	October 27, 2020
Fatena Abdel Al Ahmad	Board Secretary	-	Doctor of Law years of experience in 20 corporate governance	October 27, 2020

Mr. Youssef Mohammad Al Sumait resigned as Member of the Board on April 27, 2021.

The company follows the separation of duties principle as a good governance rule which ensures that the Chief Executive Officer can best perform his managerial duties while the more comprehensive role is reserved for the Chairman of the Board. Sheikh Mohammed bin Abdulla Al Thani is the Chairman of the Board, and Mr. Abdulaziz Yaqoub Al-Babtain is the CEO.

Following is a brief about the meetings of the Board of Directors.

Board of Directors' Meetings Held in 2021

Board Member Name	Meeting No. (236) held on 10/02/2022	Meeting No. (237) held on 16/03/2022	Meeting No. (238) held on 24/04/2022	Meeting No. (239) held on 26/07/2022	Meeting No. (240) held on 24/10/2022	Meeting No. (241) held on 11/12/2022	Total Meetings
1- Mohammed bin Abdulla Al Thani (Chairman of the Board)	√	√	√		√	√	5
2- Abdulla Ahmed Al-Zaman (Vice Chairman)	√	√	√	√	√	√	6
3- Ali bin Jabr Al Thani (Non-Executive member)		√	√	√	√	√	5
4- Dr. Hamad Yahia Al-Nuaimi (Non-Executive member)	√	√	√	√	√	√	6
5- Mohammed Sabri Al-Zaidan (Independent Member)	√	√	√	√	√	√	6
6- Dr. Yousuf Mebrek Al-Sellili (Independent Member)	√	√	√	√	√	√	6
7- Nael Abdulla Al-Awadi (Independent Member)	√	√	√	√	√	√	6

The Secretary

The secretary prepares a schedule of meetings at the beginning of the year as well as the agendas for those meetings in coordination with the executive management. The secretary submits the agendas to the Chairman for approval, sends out invitations, agendas and documents in ample time ahead of meetings and responds to member requests and queries. It is also responsible for taking minutes of meetings and sending them to members for review and approval, sending resolutions to executive management for implementation, following up on implementation of resolutions made by the Board and its Committees and preparing periodic reports in this regard. The secretary secures the signatures of the Chairman and the Members of the Board on the minutes of meetings, saves the originals and digital copies.

• Declarations of Independent Members

Rule 2

Proper Definition of Roles and Responsibilities

The Board of Directors is responsible for supervising and strategically directing the company through approving and revising policies, either directly or through its committees, with the aim of guaranteeing the commitment to specific standards to reduce risks to the company. The Board possesses full authority and power to manage Ooredoo and work towards the main goal of protecting the rights of shareholders, which in turn leads to achieving the other goals of the company.

The Board is keen on implementing good governance rules that are essential for helping the company grow and achieve its goals. They include the enhancement of transparency and integrity, boosting control and audit measures, limiting conflict of interest and encouraging professional conduct, in addition to other rules that contribute to the company's prosperity.

Establishing the Tasks, Responsibilities and Duties Policy of the members of the Board of Directors and the Executive Management

The Board of Directors is keen to set financial and operational plans and explain them to the shareholders in order to gain their trust and help them get a clear understanding of future expectations. This will enable shareholders to make rational decisions that achieve the best investment opportunities for them and avoid any actual or potential risks. The Board follows all necessary rules and measures to achieve the objectives of the governance system, including enhancing transparency and fair treatment, strengthening control and audit procedures, reducing conflicts of interest, promoting professional behavior, and other rules that contribute to the advancement of the company and the achievement of its aspirations.

To this end, the Board of Directors has approved the Governance Guide, as well as a package of policies and procedures that clarify the roles of the Chairman, his deputy, members of the Board, and members of the Executive Management. The Board of Directors is fully responsible for the activities of the Executive Management, which operates in accordance with applicable regulations, laws, and standards. The Board supervises compliance with laws and General Assembly resolutions while adhering to governance principles, best practices, and work ethics standards.

The Board is authorized to approve the interim and annual financial reports, budgets, and processes of the Company and its affiliates. The Board is also authorized to appoint members of the Executive Management and monitor the performance of committees established by them. Additionally, the Board evaluates the adequacy of internal control systems, audits and reviews potential major risks, and develops a comprehensive risk management guide. The Board is responsible for ensuring the implementation of adequate and effective internal controls.

Achievements of the Board Council during the year 2022:

The Board of Directors held 6 meetings in 2022. All members of the Board attended three meetings, while the remaining three meetings were attended by majority of the members.

The Board has also proposed amendments to the Articles of Association, developed the Remuneration and Nominations Committee charter, updated a number of policies and regulations in accordance with applicable laws and regulations, in addition to adopting decisions related to operational matters.The Requirements for Forming Independent Board of Directors' Committees.

The Requirements for Forming Independent Board of Directors' Committees

Board of Directors' Committees:

The Board of Directors has three committees that prepare the ground for more effective decision making. They are the Executive Committee, the Audit and Risk Management Committee and the Remuneration and Nominations Committee.

Each committee has a written charter approved by the Board of Directors. These charters explain a committee's responsibilities, duties and powers. They are consistent with the duties described in the governance guide, the Company Articles of Association, the Commercial Companies Law and the corporate governance section of the Capital Markets Authority's executive bylaws.

A. Executive Committee:

The Executive Committee was formed in April 2007. It makes decisions about all operational matters within its area of specialization. The committee also makes recommendations to the Board of Directors on operational and strategic matters that are beyond its powers and monitors the management's implementation of the company's strategy and investment plans.

The committee held four meetings in 2022 during which it deliberated and approved many projects and operational contracts including network development contracts, outsourcing customer service development, recommending annual dividend for shareholders, and recommending the approval of business plans for the company and the Group.

Committee Members:

1. Sheikh Mohammed bin Abdulla Al Thani (Chairman)

2. Dr. Hamad Yahia Al-Nuaimi (Member)
3. Mr. Mohammed Sabri Al-Zaidan (Member)

B. Audit and Risk Management Committee:

The Audit Committee was formed by the Board of Directors in its meeting number (136) held April 1, 2007, in decision number (5) in accordance with the Company Articles of Association and local laws. Risk Management was added to the mandate of the committee in the meeting number (193) of the Board of Directors which convened Feb. 22, 2015. The name of the committee was thus changed to the Audit and Risk Management Committee. The committee reviews internal and external audits, and prepares reports on matters pertaining to auditing and risk management. It monitors the performance of the internal audit department and assists the Board in carrying out its monitoring duties and making recommendations on financial policies and appointing auditors.

The Committee held six meetings in 2022, and achieved the following:

- Reviewed the internal control systems and arrangements made for risk management in the Company.
- Approved the estimated budget and annual internal audit plan for the year 2023.
- Approved the estimated risk management budget for the year 2023.
- Reviewed the "Risk Management" quarterly and annual reports.
- Reviewed the Risk Appetite rate.
- Reviewed the Maturity Plan for risk management for the year 2022.
- Adopted performance evaluation standards for the Head of Internal Audit Sector and Risk Management Director for the year 2022.
- Conducted an annual evaluation of the Head of the Head of Internal Audit Sector and Risk Management Director for the year 2021.
- Reviewed the results of internal audit reports completed during the year, including the results of reviewing internal control procedures on financial reports.
- Reviewed the external evaluation report on the performance of the Internal Audit Department for the year 2022.
- Followed up on the implementation of recommendations from the Committee, the Internal Audit Department, and external auditors.
- Recommended to the Company's Board of Directors the appointment of external auditors for the fiscal year 2022.
- Reviewed changes related to the Internal Audit Charter, Audit Committee, and Risk Management.
- Approved the Internal Audit Strategic Plan for the year 2022.
- Confirmed the independence and objectivity of the internal audit functions for the year 2022.
- Recommended the amendment of the Company's policies and regulations in accordance with regulatory requirements

Committee Members:

1. Mr. Abdulla Ahmed Al-Zaman (Chairman)
2. Dr. Yousuf Mebrek Al-Sellili (Member)
3. Mr. Mohammed Sabri Al-Zaidan (Member)

Remuneration and Nominations Committee:

The Remuneration and Nominations Committee was formed in September 2014. Its area of specialization is appointing and evaluating the performance of the executive management, and devising company employee policies. It also assists the Board of Directors in matters related to nominating and appointing members of the executive management and the Board, and determining their remunerations.

The committee held four meetings in 2022 during which it set the performance indicators for the management, approved the annual bonus for company employees, recommended to the Board of Directors the approval of company performance indicators and the annual bonuses for the members of the Board.

Committee Members:

1. Sheikh Mohammed bin Abdulla Al Thani (Chairman)
2. Dr. Yousuf Mebrek Al-Sellili (Member)
3. Dr. Hamad Yahia Al-Nuaimi (Member)

Applying the requirements of making information and data available to members of the Board of Directors:

The committees' secretary sends out invitations, agendas and documentation for the meetings well ahead of time and responds to member queries and requirements regarding those meetings. It coordinates with the General Manager to secure the information needed by members of the committees, and to guarantee the timely supply of documentation in support of management proposals, as well as guaranteeing the flow of information to the Board.

Rule 3

Recruit Highly Qualified Candidates for Board of Directors and Executive Management

- Compliance With Requirements of Forming the Remuneration and Nominations Committee

Nominations and Remunerations Committee is chaired by (Sheikh Mohammed bin Abdullah Al Thani), a Non-Executive member, the Remuneration and Nominations Committee is formed of three members one of whom is independent (Dr. Yousuf Mebrek Al-Sellili). The committee undertakes the tasks of periodically preparing, revising and developing the remuneration policy, in addition to evaluating the policy's efficiency in achieving its goals. It facilitates the role of the Board of Directors and recommends the remunerations of Board members and the executive management.

Reporting the Remunerations of Members of the Board of Directors and Executive Management

1- Company›s Remuneration and Incentives Policy, particularly with regard to members of the Board of Directors and Executive Management

The Board of Directors shall be responsible for approving and implementing the Company›s Remuneration Policy, which shall be deemed a part of the Company's governance general framework. Remuneration and Nomination Committee shall be responsible for implementing the policy and activating its objectives.

Company›s Remuneration Policy is based on several principles, the most important of which are:

- Linking bonuses to the Company›s performance and financial results.
- Linking bonuses to specific performance indicators.
- Transparency and equality in application.

This Policy reflects the standards and principles of best practices in the field of good governance, and in accordance with the relevant regulatory requirements.

Nominations and Remunerations Committee shall follow up on the implementation of this Policy and the Committee shall be responsible for maintaining the Policy's compatibility and effectiveness and for reviewing it annually and when required.

Total remuneration of the Chairman and members of the Board of Directors shall not exceed more than ten percent (10%) of the net profit after deducting depreciation and reserves and distributing a profit of not less than five percent (5%) of the capital to shareholders; or any higher percentage as stipulated in the Company's Articles of Association. It shall also be related to the Company›s performance rate. The Remuneration and Nominations Committee shall present to the General Assembly of the Company's shareholders, at its annual meeting, a proposal to determine the remuneration of the members of the Board of Directors, based on the Company's performance and the profits achieved, as well as in line with the Remuneration Policy. Remuneration of the members of the Board of Directors shall be approved by the General Assembly at its annual meeting.

With regard to the financial allocations for the Company›s employees, the Executive Management shall prepare a proposal for salary rates and allowances, with all its segments, in accordance with market standards and pursuant to the provisions of Labor Law in private sector. They shall also be submitted to the Remuneration and Nominations Committee for approval and shall then be submitted to the Board of Directors for final approval.

2. Details of remuneration and benefits for members of the Board of Directors and Executive Management:

Include the following two statements:

Details of the segments, types of rewards and remuneration as mentioned are for example only:

Board Member Remuneration and Benefits							
Total No. of Members	Remuneration and Benefits through Mother Company			Remuneration and Benefits through Affiliates			
	Fixed Remuneration and Benefits (KD)	Variable Remuneration and Benefits (KD)		Fixed Remuneration and Benefits (KD)		Variable Remuneration and Benefits (KD)	
	Health Insurance	Annual Bonus	Committees' Bonus	Health Insurance	Total Monthly Payroll During the Year	Annual Bonus	Committees' Bonus
6		488,000					

Total bonuses and benefits granted to five senior executives who received the highest bonuses, in addition to the Chief Executive Officer and Chief Financial Officer or their representatives if they are not included

Total bonuses and benefits granted to five senior executives who received the highest bonuses, in addition to the Chief Executive Officer and Chief Financial Officer or their representatives if they are not included														
Total No. of Executive Positions	Remuneration and Bonuses through the Mother Company							Remuneration and Bonuses through an Affiliate						
	Fixed Remuneration and Bonuses (KD)						Variable Remuneration and Bonuses (KD)	Fixed Remuneration and Bonuses (KD)						Variable Remuneration and Bonuses (KD)
	Monthly salaries (total during the year)	Health Insurance	Annual Tickets	Housing Allowance	Transp-ortation Allowance	Children Education Allowance	Annual Bonus	Monthly salaries (total during the year)	Health Insurance	Annual Tickets	Housing Allowance	Transp-ortation Allowance	Children Education Allowance	Annual Bonus
8	717,659		53,874	115,425	31,750	22,657	1,289,304							

3. There are no material deviations from the Remuneration Policy approved by the Board of Directors.

Rule 4

Safeguard the Integrity of Financial Reporting

The Board of Directors and the executive management provide written undertakings of the soundness and integrity of the prepared financial reports.

The internal audit department monitors the performance of the executive management, reviews interim financial reports and offers consulting services to the executive management to ensure it is carrying out its responsibilities according to applied standards. All this is supervised by the Audit and Risk Management Committee. To safeguard transparency and credibility, the internal audit department investigates violations by any member of management according to procedures in place and presents the results of the investigation to the executive management for necessary action. Internal audit department personnel are independent, experienced and fully capable of performing their duties.

In case of conflict between the recommendations of the Audit Committee and the resolutions of the Board of Directors, an account is included that details and explains the recommendations and the reason or reasons behind the decision of the Board not to abide by them.

- Compliance With Requirements of Forming the Audit and Risk Management Committee

The Audit and Risk Management Committee is formed of three members one of whom is independent (Dr. Yousuf Mebrek Al-Sellili) and presided by the Vice Chairman of the Board of Directors (Abdulla Ahmed Al-Zaman) who has a Master's degree in Business Management and Financial Sciences. The committee is responsible for the soundness and integrity of financial reports, the sufficiency and efficiency of internal monitoring systems in addition to supervising the internal audit department. The committee reviews risk management policies and strategies and assists the Board of Directors in identifying and evaluating the level of acceptable risks and offers recommendations regarding the organizational structure of risk management.

- There is no conflict between the recommendations of the Audit and Risk Management Committee and the decisions issued by the Board of Directors.
- Ensuring the Independence and Neutrality of the External Auditor

The Audit and Risk Management Committee recommends the appointment of an external auditor. The Board of Directors adopts the recommendation and presents it to the General Assembly for approval. The company does not request any extra services from the auditor to avoid any possible conflict of interest which could affect the auditor's neutrality.

The external auditor is invited to all Audit and Risk Management Committee meetings, and to the meetings of the Board of Directors that discuss interim financial results. The auditor is informed of General Assembly meetings so it can attend and recite its annual report to shareholders.

Rule 5

Apply Systems of Risk Management and Internal Audit

Risks Department:

The Risks Department implements the risk policies and strategies and prepares periodic reports on the nature of possible risks to the company. The reports are submitted to the Audit and Risk Management Committee for approval ahead of presenting them to the Board of Directors. The personnel of the department are independent, experienced and fully capable of carrying out their duties.

- Applying the requirements for the formation of the Risk Committee:
  Risk Management Committee has been merged with the Audit Committee, based on the approval of the Capital Markets Authority.

- Systems of Control and Internal Audit:

The company adopts effective systems of control and internal audit for safeguarding the soundness of financial data, in addition to measuring, following up and reducing possible risks to the company. This is in compliance with the risk management policy the Board of Directors is keen on continuously updating and developing. The staff and the manager of the Risks Department are fully independent due to their direct affiliation to the Audit and Risk Management Committee. The company annually appoints an independent audit firm to evaluate and review the internal audit systems and report findings to the Capital Markets Authority according to the bylaws in place.

- Compliance With Requirements of Forming an Independent Department / Office / Unit for Internal Audit:

The Internal Audit Department consists of four employees: Head of the Internal Audit Department Sector, one employee working as an Internal Audit Senior Manager, one employee working as an Internal Auditor Financial & Operational Audit, in addition to a Senior Internal Auditor QAIP & Special Assignment. Those employees are deeply knowledgeable and experienced in that field and they also enjoy complete functional independence.

Rule 6

Promote Code of Conduct and Ethical Standards

Code of Conduct and Ethical Standards:

Company employees are committed to the Code of Conduct that specifies the standards and determinants of ethics adopted by the management in carrying out managerial and operational responsibilities. This guarantees that the company achieves its goals ethically and professionally, in consistence with the work environment in the State of Kuwait and in a way that reflects the culture of the society.

Policies and Mechanisms to Limit Conflict of Interest Cases:

The Board of Directors endeavors to entrench the culture of code of conduct and enhance investor confidence in the company's integrity and soundness of its finances through the compliance with good governance rules and devising a conflict of interest policy. The Board has adopted a stakeholders policy and a related parties policy, both of which aim at preventing all forms of conflict of interest.

Rule 7

Ensure Timely and High-Quality Disclosure and Transparency

- Implementation of accurate and transparent presentation and Disclosure mechanisms:

The company abides by all disclosure requirements. Its financial and audit reports as well as the rest of information, including financial data and private disclosures, are accurate and transparent. The company's management affirms that all disclosed data is accurate, correct and not misleading. All company annual financial reports are also in compliance with the best international practices for financial reports and their requirements. The Investor Relations Unit is committed to its role in organizing the disclosure process, following up on disclosures of members of the Board of Directors and keeping a record of them.

- Compliance With the Requirement of Keeping a Record of Disclosures by Members of the Board of Directors and Executive Management

The management is committed to keeping a record of disclosures by members of the Board of Directors and the executive management in a way that ensures accuracy and clarity, in compliance with disclosure regulations in place. The management is also committed to reminding all members of their responsibilities in this regard and making them aware of which disclosures are compulsory.

- Compliance with the Requirement of Forming a Unit for Investor Relations

The Investor Relations Unit was established to guarantee communication and transparency with shareholders, and to respond to their complaints according to approved policies and procedures. The unit is staffed with investor relations specialists familiar with the applied laws and procedures.

- Developing the Information Technology Infrastructure and Largely Relying on it in the Disclosure Process

The company has devoted a section of its website to corporate governance. All disclosures are reported in that section and the Investor Relations Unit keeps a record of disclosures that take place every year.

Rule 8

Respect Rights of Shareholders

- Compliance With the Requirements of Identifying and Protecting the General Rights of Shareholders

The management aims to protect the rights of shareholders. It applies corporate governance rules to ensure that the goals of shareholders are consistent with the goals of the company. All shareholders can vote to choose their representatives on the Board of Directors and have access to information about the achievements of the Board and the executive management so that they can evaluate their performance. Shareholders received their dividends according to announced schedule.

- Create a Special Record for Shareholders to be Kept by the Clearing Agency

The company keeps a record of shareholders which is kept by the clearing agency. Any shareholder has access to all information included in the record. The company maintains open and transparent communication channels with shareholders and regularly publishes information on its website and in the media.

- Encouraging Shareholders to Participate and Vote in General Assembly Meetings

The company is keen on providing all shareholders with all information and reports needed to keep them updated with company news. The management prepares the agenda and publishes it according to the law so that shareholders are informed of it and can take part in the vote and make the suitable decision. The Chairman and the members of the Board of Directors are ardent about attending the General Assembly meetings, responding to the queries of shareholders and listening to their comments. The voting process is carried out with transparency and integrity which ensures that all shareholders take part in it effectively. Objections by Board members are noted in the minutes of meeting of the General Assembly.

Rule 9

Recognize Roles of Stakeholders

Mechanisms and Policies That Ensure Protection of Rights of Stakeholders

The company respects the rights of stakeholders and endeavors to observe and protect them. Its policies guarantee good relationships with all stakeholders as well as their treatment according to applied rules and regulations. Early in the year, the Board of Directors approved the stakeholder policy that ensures maximum protection of their rights with full transparency and accuracy.

Encouraging Stakeholders to Follow Company Activities

The management reports all company activities and latest news on its website, and its disclosure policy guarantees transparency and speed in publishing essential information that is of interest to all stakeholders.

Rule 10

Encourage and Enhance Performance

- Training Courses for Members of the Board of Directors and Executive Management

The Board of Directors is keen on enhancing and improving its performance and developing its leadership skills. It encourages its members to increase their knowledge about corporate governance. The members attended workshops about their duties and rights to enhance their awareness of corporate governance requirements and new accounting standards, and how they affect the company.

- Evaluating the Performance of the Board of Directors as a Whole as Well as the Performance of Each Member of the Board and Executive Management

The Board of Directors carries out an annual self-evaluation of its performance and the performance of its committees and members. It also evaluates the performance of the executive management, all according to standards and principles in place.

- Board of Directors' Efforts in Corporate Value Creation Among Company Employees to Achieve Strategic Goals and Enhance Performance

The Board of Directors adopted the Professional Conduct and Ethics Charter that emphasizes the principles and values of the company. The Board urges higher management to continuously communicate with employees and create more channels of communication through using social media to connect employee performance to the goals and principles of the company.

Rule 11

Stressing the Importance of Social Responsibility

- Social Responsibility Policy

The Board of Directors adopted a policy that ensures balance between company goals and society goals whereas the company commits to aligning its values and business strategy with social and economic needs. Company activities are always responsible and ethical, and it exercises a great measure of transparency in planning and executing annual social responsibility activities.

- Programs and Mechanisms Used to Highlight Company's Social Responsibility Efforts

2022 witnessed a strong social responsibility performance by Ooredoo which was in continuous contact with the society. The company executed brilliant and successful initiatives and still has many more to offer.

Community and Government Ooredoo Initiatives

Ooredoo's ultimate goal in 2022 was not only to elevate its performance to reach the targeted profits, but also to diligently undertake humanitarian and ethical community initiatives that leave their mark on the future of society.

They have also been documented and established over the past years, as Ooredoo is well-known for its high reputation and speed in providing various services that aim at improving and advancing the lives of all members of society. Ooredoo works side by side with various government agencies and well-established companies, both locally and internationally, for the interest of the people and the state, as one of its basic strategies. In this regard, Ooredoo has innovated, modernized and elevated its brand and the way society members go about their daily lives. Ooredoo has utilized its cutting-edge technologies in ways that helps the nation achieve its vision of creating and empowering a digital state of Kuwait, as part of the Kuwait Vision 2035.

Results we achieved from our endeavor to effectively upgrade and modernize all aspects of our operations and infrastructure are to satisfy our customers by providing them with innovative services and products to serve all market segments, which in turn translates into increasing our customer base and gaining their trust. Ooredoo was the first company in Kuwait to launch Fiber+, which is a revolutionary technology and the first of its kind for smart homes and institutions based on digital infrastructure. This stems from our relentless keenness to provide everything that is new and innovative in this digital era.

Ooredoo goes hand in hand with innovation. However, this year has been an exciting year for Ooredoo with organizing 2022 World Cup in our region. Ooredoo, the official telecom operator in the Middle East and Africa, has established a unique event. Ooredoo Business Football Tournament took place when Ooredoo Business, the trusted technology partner for business solutions, acted in a revolutionary manner by inviting its customers from both private and public sectors to participate in this football tournament. This included attendees from various industries, such as banking, oil and gas and electronic retailers.

We have met the needs of all sectors that make up our customer base and shall always continue to enhance and upgrade our products and services to meet the ever-increasing daily demands of this market. We have excelled and set standards, and it is worth noting that Ooredoo is the first telecom company in Kuwait to obtain a Cloud Service Provider license from CITRA. Our Data Center provides the highest levels of security and the latest technology to provide 24/7cloud services and cyber security while ensuring stable, secure and uninterrupted service, from anywhere around the world, in complete confidentiality and security.

Our achievements go even further as Ooredoo Business has partnered with HUAWEI to launch Ooredoo Cloud Connect, which is a new generation of managed network services optimized on the cloud and powered by HUAWEI Cloud Campus MSP platform. These new generations of services aim to enable businesses to keep up with innovation, meet rapidly changing business needs and improve network performance and user experiences through a cloud-like subscription model.

Mohammed bin Abdulla Al Thani

Chairman of the Board of Director

ARC Annual Report 2022 CMA Requirements Ooredoo Kuwait

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According to the Executive Regulations of the Capital Markets Authority_Book Fifteen_ Corporate Governance_ Chapter Six_ Article No. (6.8)

Table of Content

Message of the Chairman of the Audit and Risk Management Committee

Dear Shareholders,

On 01/04/2007, the Audit and Risk Management Committee was formed by the company's Board of Directors. Risk management was added to the Committee's tasks, and accordingly the name of the Committee was changed to the Internal Audit and Risk Management Committee, based on the Board's Decision #9 which was taken in its 193rd meeting held on 22/02/2015.

The Committee assists the Board of Directors in carrying out its supervisory and oversight duties to ensure the integrity of the company's financial statements. It advises the Board on the effectiveness of internal censorship mechanisms and on adequate risk management arrangements. The Committee is also charged with:

- Assessing the adequacy of internal censorship and monitoring its control in internal and external audits.
- Approving the annual internal audit program.
- Identifying and assessing risks.
- Monitoring the compliance of the recommendations given by the Audit and Risk Management Committee.
- Following up with the Board of Directors on improving internal censorship and risk management.
- Ensuring the independence and objectivity of the internal and external audit and risk management functions.

Abdulla Ahmed Al-Zaman
Chairman of the Committee

1-Committee Objectives

The main objectives of the company's Audit and Risk Management Committee are as follows:

1. Assisting the Board of Directors in carrying out its responsibilities regarding the integrity of the company's financial statements.
2. Advising the Board of Directors on the effectiveness of the internal censorship and risk management systems in the company.
3. Ensuring the independence and objectivity of the auditor, internal audit, and risk management functions, and assuring support from the Board of Directors.
4. Maintaining communications between the Board, the internal audit, and the auditor.
5. Assisting the Board of Directors in identifying and evaluating the level of acceptable risk in the company and ensuring that the company does not exceed that level.

The following are the Audit and Risk Management Committee's duties and functions:

Regarding risk management	Regarding Internal and External Audit
• • Reviewing risk management strategies and policies before being approved by the Board of Directors, as well as ensuring their implementation. • • Reviewing the company's risk management organizational structure and ensuring the availability of adequate resources and systems to manage risks. • • Evaluating the systems and mechanisms for identifying, measuring, and following up on different types of risks the company might face. • • Assisting the Board of Directors in identifying and evaluating the maximum level of risk in the • company, and ensuring that the company does not exceed that level. • • Ensuring the objectivity of risk management personnel. • • Reviewing periodic risk reports (Quarterly and annually) and submitting them to the Board of Directors. • • Reviewing the issues raised by the audit department, which may affect the company's risk management.	• Reviewing the list of decision-making powers between the Board of Directors and the Executive Management and submitting it to the Board of Directors for approval. • Reviewing the company's annual and quarterly audited financial statements, as well as related reports and accounting matters, including the views and the procedures of the executive management, and submitting them to the Board of Directors for approval. • Recommending to the Board of Directors the appointment, reappointment, and change of external auditors, and determining their fees. In addition to defining their scope of work and objectives, following up and evaluating them, and making sure they do not provide any other services to the company. • Studying and following up with the external auditors' observations. • Studying the applicable accounting policies, rules, and standards, and providing the adequate recommendations to the Board of Directors. • Assessing the adequacy of the internal control systems applied within the company. • Administrative, financial, and technical supervision of the company's internal audit department. • Recommending the hire, transfer, and dismissal of the Internal • Audit department Director and evaluating his performance and the performance of the department. • Reviewing and approving the annual internal audit plans and their estimated budget that are proposed by the Internal Audit Department. • Reviewing the internal audit's reports results, and ensuring that the correct actions have been taken • Reviewing the censorship authority's reports results and ensuring that the necessary measures have been taken in this regard. • Ensuring that the company complies with relevant laws, policies, regulations, and instructions. • Holding meetings regularly with external and internal auditors. • Reviewing transactions with related parties and recommending them to the Board of Directors.

2. Committee Formation

The Audit Committee was formed by the company's Board of Directors in its 136th meeting on 01/04/2007 based on Resolution No.5, in accordance with the company's articles of association and local laws, and based on Board Resolution No.9 in its 193rd meeting. On 22/02/2015, risk management was added to the Committee's tasks, and so the Committee's name was changed to Audit and Risk Management Committee. The current members of the committee include the following:

1.	Mr.Mohammed Sabri Al-Zaidan	Member	Member
2.	Dr. Yousuf Mebrek Al-Sellili (Member)	Member	Member
3.	Ms. Fatena Abdel Al Ahmad	Secretary	Secretary

3. Committee Meetings

In 2022, the Committee held 6 meetings:

	Date	Meeting number
1.	09/02/2022	(62) 1/2022
2.	24/04/2022	(63) 2/2022
3.	24/07/2022	(64) 3/2022
4.	23/10/2022	(65) 4/2022
5.	11/12/2022	(66) 5/2022
6.	14/12/2022	(67) 5/2022

4. Committee Achievements

In 2022, the committee accomplished many achievements, including:

-
- Reviewing the company's annual and quarterly audited financial statements.
- Reviewing the internal control systems and arrangements taken to manage risks in the company.
- Adopting the internal audit's estimated budget and annual plan for the year 2023.
- Adopting the risk management's estimated budget for the year 2023.
- Reviewing the quarter and annual Risk Management reports.
- Reviewing the Risk Appetite Plan
- Reviewing the Risk Management's Maturity Plan for the year 2022.
- Adopting the performance evaluation criteria for the Internal Audit head and the Risk Management director for the year 2022
- Conducting an annual evaluation of the Internal Audit head and the Risk Management director for the year 2022.
- Reviewing the results of the internal audit reports completed during the year, including the results of the review of internal control procedures over the financial reports
- Reviewing the internal evaluation report on the Internal Audit department's performance in the year 2022.
- Following up on the implementation of the recommendations provided by the Committee, the internal audit department, and the external auditors.
- Recommending the Board of Directors to appoint external auditors for the fiscal year of 2022.
- Reviewing changes related to the internal audit charter and the Audit and Risk Management Committee.
- Adopting a strategic plan for the internal auditing for the year 2022.
- Ensuring the objectivity of the internal audit functions of the year 2022.

5. Objectives of the Company's Internal Audit Department:

- The Internal Audit Department provides censorship guarantee and advisory services in an objective and non-biased approach, aiming to add value to the company and improve its operations. By following a systematic and structured approach, the Department helps the company in achieving its objectives to assess and improve the effectiveness of risk management, censorship, and governance. The Internal Audit Department also adheres to international standards of professional practice of internal auditing, to provide practical guidance for managing the internal audit activity; as well as for planning, implementing, and preparing reports, which are formulated to add value to Ooredoo and improve its operations. These tasks are carried out under the supervision of the Audit and Risk Management Committee. Clear instructions are provided by the Board of Directors, the Audit and Risk Management Committee, and the Executive Management, to all business units to carry out their work in accordance with the external and internal financial audit systems and to respond to any issue or topic raised by the auditors.
- The Audit Department completed a number of important tasks in 2022.
- The Internal Audit Department consists of 6 employees:
- Head of the Internal Audit Department (CAE), Internal Audit Director, 2 Internal Audit Senior Managers, Senior Internal Auditor – Technology, and Senior Internal Auditor QAIP & Special Assignment. • The Internal Audit Department is still recruiting employees in accordance with the audit plan and the estimated budget of 2023

6. Achievements of the company's internal audit department

In accordance with the approved annual plan and the instructions of the Audit and Risk Management Committee, the Internal Audit Department carried out several activities during 2022, including:

- Implementing the annual plan approved by the Committee, which includes a review of high-risk activities.
- Submitting annual and quarterly reports to the Committee that include the censorship audit and the supervision on the efficiency and effectiveness of the internal censorship systems that are necessary to protect the company's assets, the validity of financial data, and the efficiency of its operations in its administrative, financial, accounting, technical, and operational aspects.
- Following up on the recommendations of the external and internal auditors to ensure their implementation in the agreed times and to determine the reasons behind the failure in applying internal censorship, and the company's procedures for addressing those failures.
- Evaluating the performance of the Executive Management in applying internal censorship systems
- Reviewing the quarterly and annual Risk Management reports and commenting on their efficiency and effectiveness.
- Providing consultancy services to all the company sectors.
- Attending a number of training workshops throughout the year.
- Preparing the annual internal audit plan and its estimated budget for 2023.
- Reviewing policies across different departments to enhance the efficiency of our internal control systems

7. Achievements of the Company's Risk Management:

Based on the Audit and Risk Management Committee's recommendations, the Risk Management Department held many activities in 2022, including:

- Raising risk reports to the committee on a quarterly and yearly basis.
- Preparing the Risk Appetite Statement.
- Preparing and implementing the Maturity Plan of the year 2022.
- Following up with the company's management to coordinate response plans for any complications and enterprise risks.
- Preparing the estimated budget for the year 2023
- Updating the risk register and following up on the implementation of the plans developed by various departments for risk management.
- Launching a new system for monitoring risks connected to the various departments (CV-ERM).
- Attending a number of training courses.
- Preparing workshops for company departments with the aim of spreading the culture of risk management.
- Reviewing the deals proposed to be carried out by the company with related parties during the year 2021 and making recommendations thereon to the Board of Directors.

FINANCIAL REPORT

FINANCIAL REPORT

Section 5

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

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Independent auditor's report to the shareholders of National Mobile Telecommunication Company K.S.C.P.

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 National Mobile Telecommunication Company K.S.C.P. (the "Company") and its subsidiaries (together referred to as the "Group") as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- 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, which include significant accounting policies 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 Kuwait. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key Audit Matters	• Revenue recognition • Impairment of goodwill

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 management 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.

Independent auditor's report to the shareholders of National Mobile Telecommunication Company K.S.C.P. (Continued)

Report on the audit of the consolidated financial statements (Continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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.

Key audit matter		How our audit addressed the key audit matter
Revenue recognition As disclosed in note 16 to the accompanying consolidated financial statements, the Group's total revenue for the year ended 31 December 2022 amounted to KWD 620,309 thousand. Furthermore, as at that date, the Group had contract assets, contract liabilities and deferred income of KD 51,808 thousand (including an amount of KD 3,589 thousand within other non-current assets), KD 4,062 thousand and KD 35,736 thousand respectively. The Group records revenue in accordance with IFRS 15 "Revenue from contracts with customers" where management is required to determine, and assign values to, the different performance obligations contained within the various contracts. We considered this to be a key audit matter because the process of determining and assessing the contractual performance obligations is complex and judgemental and directly impacts the timing of revenue recognition. In addition, the information systems used in capturing, calculating and recording revenues are complex and deal with a large volume of information. The accuracy of these systems, or lack thereof, potentially has a significant impact on the recognition of revenues and accordingly, the reported profit of the Group. Refer to notes 3.4, 8, 16 and 27 for the accounting policy, contract assets, revenue break-up and significant accounting judgements and estimates respectively.		How our audit addressed the matter We audited revenue through a combination of controls testing, risk analytics and other substantive audit procedures, as stated below: • Understanding and evaluating the significant revenue processes and identifying the relevant controls (including IT systems) and performing validation procedures through tests of key manual, automated and IT dependant controls; • Testing, on a sample basis, contracts, management's identification of performance obligations, the estimation of standalone selling prices of those performance obligations and the determination of the timing of revenue recorded; • Involving IT specialists to test IT general controls and certain automated controls surrounding relevant revenue systems on a sample basis; • Identifying and examining the key reconciliations prepared by management between different IT systems within the revenue process; • Performing substantive analytical procedures on significant revenue streams after developing expectations of revenues based upon non-financial data principally derived from usage and subscriber numbers, which are the main drivers of these revenues; • Performing substantive tests of details in relation to certain revenue streams; and Assessing the adequacy of the disclosures in the consolidated financial statements relating to revenue against the requirements of IFRSs.

Independent auditor's report to the shareholders of National Mobile Telecommunication Company K.S.C.P. (Continued)

Report on the audit of the consolidated financial statements (Continued)

Key audit matter		How our audit addressed the key audit matter
Impairment of goodwill As of 31 December 2022, the carrying value of goodwill amounted to KD 148,531 thousand as disclosed in Note 5 to the consolidated financial statements. An entity is required to test goodwill acquired in a business combination for impairment at least annually irrespective of whether there is any indication of impairment. Management has determined the recoverable amount based on the value in use approach with key assumptions around cash flows, discount rate, terminal value and EBITDA growth rate estimates and forecasted levels of capital expenditure, and has concluded that no impairment is required for the current year. We considered the impairment of goodwill to be a key audit matter because of its size as at 31 December 2022 and the judgements involved in determining the recoverable amount. Refer to notes 3.12, 5 (i) and 27 for the accounting policy, impairment testing of goodwill and significant accounting judgements and estimates respectively.		How our audit addressed the matter We have carried out the following procedures to evaluate management's computation of the recoverable amount of goodwill: • Involving our internal valuation specialists to assess key assumptions used by management including discount rate and terminal value. Evaluating whether the cash flows in the model used by management to calculate the recoverable amount agree with those approved by the Board of Directors; • Testing of reliability of management forecasting by performing lookback analysis; • Testing the mathematical accuracy of the cash flow model; • Performing sensitivity analyses on key assumptions used; • Assessing the disclosure in the consolidated financial statements relating to goodwill against the requirements of IFRSs.

Other information

The directors are responsible for the other information. The other information comprises the report of the Board of Directors (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 Group's 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 Group's 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 management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the Companies' Law no. 1 of 2016 and its executive regulations, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Group or to cease operations, or has 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 judgment 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 management.
- Conclude on the appropriateness of management's 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, actions taken to eliminate threats or safeguards applied.

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 year 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.

Independent auditor's report to the shareholders of National Mobile Telecommunication Company K.S.C.P. (Continued)

Report on the audit of the consolidated financial statements (Continued)

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the Company and the consolidated financial statements, together with the contents of the report of the Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016 and its executive regulations and by the Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory count was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its executive regulations nor of the Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the financial year ended 31 December 2022 that might have had a material effect on the business of the Group or on its consolidated financial position.

Moreover, we further report that during the course of our audit, we have not become aware of any violations of Law No. 7 of 2010 pertaining to the Establishment of the Capital Markets Authority and the Regulation of Securities' Activity and subsequent amendments thereto and its executive bylaws during the year ended 31 December 2022 that might have had a material effect on the business of the Group or on its consolidated financial position.

Khalid Ebrahim Al-Shatti
License No.175
PricewaterhouseCoopers
(Al-Shatti & Co.)

7 February 2023
Kuwait

Consolidated statement of financial position as at 31 December

(All amounts are expressed in Kuwaiti Dinar unless otherwise stated)

	Note	2022	2021
		KD'000	KD'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	**419,306**	434,978
Intangible assets and goodwill	5	**259,500**	282,835
Right-of-use assets	6	**120,167**	114,545
Financial assets – equity instruments		**1,211**	1,600
Other non-current assets		**7,583**	7,203
Deferred tax assets	7	**26,561**	25,189
Contract costs		**1,846**	1,794
Total non-current assets		**836,174**	868,144
Current assets			
Inventories		**15,146**	11,927
Contract costs		**5,861**	4,543
Trade and other receivables	8	**174,757**	162,493
Bank balances and cash	9	**158,508**	124,411
Total current assets		**354,272**	303,374
Total assets		**1,190,446**	1,171,518
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	**50,403**	50,403
Treasury shares	10	**(3,598)**	(3,598)
Translation reserve		**(329,672)**	(315,975)
Other reserves	10	**248,411**	244,656
Retained earnings		**580,929**	563,265
Equity attributable to shareholders of the parent		**546,473**	538,751
Non-controlling interests	11	**89,002**	93,988
Net equity		**635,475**	632,739
LIABILITIES			
Non-current liabilities			
Loans and borrowings	12	**7,873**	12,696
Employees' benefits		**12,064**	12,648
Lease liabilities	13	**102,968**	100,710
Other non-current liabilities		**25,652**	18,577
Contract liabilities		**879**	828
Total non-current liabilities		**149,436**	145,459
Current liabilities			
Trade and other payables	14	**319,557**	309,042
Deferred income	15	**35,736**	34,254
Loans and borrowings	12	**7,866**	16,468
Lease liabilities	13	**22,452**	20,143
Income tax payables	7	**16,741**	10,551
Contract liabilities		**3,183**	2,862
Total current liabilities		**405,535**	393,320
Total liabilities		**554,971**	538,779
Total equity and liabilities		**1,190,446**	1,171,518

Abdulla Ahmad Al Zaman
Vice Chairman

Chairman Office مكتب رئيس

The accompanying notes from 1 to 28 form an integral part of this consolidated financial statements.

Consolidated statement of profit or loss

For the year ended 31 December

	Note	2022	2021
		KD'000	KD'000
Revenue	16	**620,309**	601,732
Other income		**951**	4,655
		621,260	606,387
Network, interconnect and other operating expenses	17	**(312,940)**	(311,799)
Employee salaries and associated cost	18	**(73,663)**	(75,735)
Management fee expense	23	**(17,529)**	(16,515)
Depreciation and amortisation	19	**(132,803)**	(143,627)
Finance costs	20	**(8,934)**	(10,875)
Finance income		**3,449**	2,712
Impairment losses on financial assets		**(7,015)**	(5,978)
Impairment losses on other non-financial assets	4	**-**	(143)
Other losses– net		**(3,319)**	(4,039)
Profit before directors' remuneration, contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and income tax		**68,506**	40,388
Directors' remuneration		**(682)**	(634)
Contribution to KFAS, NLST and Zakat	21	**(1,300)**	(463)
Profit before income tax		**66,524**	39,291
Income tax	7	**(16,792)**	(14,075)
Profit for the year		**49,732**	25,216
Profit attributable to:			
Shareholders of the parent		**39,463**	19,250
Non-controlling interests	11	**10,269**	5,966
		49,732	25,216
Basic and diluted earnings per share (fils)	22	**79**	38

The accompanying notes from 1 to 28 form an integral part of this consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December

	Note	2022	2021
		KD'000	KD'000
Profit for the year		**49,732**	25,216
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**(14,597)**	(28,993)
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		**(389)**	(320)
Other comprehensive loss - net of tax		**(14,986)**	(29,313)
Total comprehensive income/(loss) for the year		**34,746**	(4,097)
Total comprehensive income/(loss) attributable to:			
Shareholders of the parent		**25,377**	(5,312)
Non-controlling interests		**9,369**	1,215
		34,746	(4,097)

The accompanying notes from 1 to 28 form an integral part of this consolidated financial statements.

Consolidated statement of changes in equity
for the year ended 31 December

	Attributable to shareholders of the parent						Non – controlling interests	Total equity
	Share capital	Treasury Reserve	Translation reserve	Other reserves	Retained earnings	Total		
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
At 1 January 2021	50,403	(3,598)	(291,733)	242,941	553,691	551,704	100,068	651,772
Profit for the year	-	-	-	-	19,250	19,250	5,966	25,216
Other comprehensive loss	-	-	(24,242)	(320)	-	(24,562)	(4,751)	(29,313)
Total comprehensive loss for the year	-	-	(24,242)	(320)	19,250	(5,312)	1,215	(4,097)
Transactions with shareholders of the parent, recognised directly in equity								
Dividend for 2020 (Note 10)	-	-	-	-	(7,517)	(7,517)	-	(7,517)
Transfer to voluntary reserve	-	-	-	2,035	(2,035)	-	-	-
Transactions with non-controlling interests, recognised directly in equity								
Dividend for 2020	-	-	-	-	-	-	(7,254)	(7,254)
Transactions with non-owners of the Group, recognised directly in equity								
Transfer to employee association fund	-	-	-	-	(124)	(124)	(41)	(165)
At 31 December 2021	50,403	(3,598)	(315,975)	244,656	563,265	538,751	93,988	632,739

Consolidated statement of changes in equity
for the year ended 31 December

	Attributable to shareholders of the parent						Non – controlling interests	Total equity
	Share capital	Treasury Reserve	Translation reserve	Other reserves	Retained earnings	Total		
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
At 1 January 2022	**50,403**	**(3,598)**	**(315,975)**	**244,656**	**563,265**	**538,751**	**93,988**	**632,739**
Profit for the year	-	-	-	-	**39,463**	**39,463**	**10,269**	**49,732**
Other comprehensive income	-	-	**(13,697)**	**(389)**	-	**(14,086)**	**(900)**	**(14,986)**
Total comprehensive income for the year	-	-	**(13,697)**	**(389)**	**39,463**	**25,377**	**9,369**	**34,746**
Transactions with shareholders of the parent, recognised directly in equity								
Dividend for 2021 (Note 10)	-	-	-	-	**(17,541)**	**(17,541)**	-	**(17,541)**
Transfer to voluntary reserve	-	-	-	**4,144**	**(4,144)**	-	-	-
Transactions with non-controlling interests, recognised directly in equity								
Dividend for 2021	-	-	-	-	-	-	**(13,584)**	**(13,584)**
Transaction with non-controlling interest *	-	-	-	-	-	-	**(733)**	**(733)**
Transactions with non-owners of the Group, recognised directly in equity								
Transfer to employee association fund	-	-	-	-	**(114)**	**(114)**	**(38)**	**(152)**
At 31 December 2022	**50,403**	**(3,598)**	**(329,672)**	**248,411**	**580,929**	**546,473**	**89,002**	**635,475**

* As a result of capital reduction of WARF Telecom International Pvt. Ltd, cash was paid to non-controlling interest amounted to KD 733 thousand.
The accompanying notes from 1 to 28 form an integral part of this consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 December

	Note	2022	2021
		KD'000	KD'000
Cash flows from operating activities			
Profit before income tax		**66,524**	39,291
Adjustments for:			
Depreciation and amortisation	19	**132,803**	143,627
Impairment losses on financial assets		**7,015**	5,978
Impairment losses on other non-financial assets	4	**-**	143
(Gain) / loss on disposal of property, plant and equipment		**(560)**	94
Finance costs	20	**8,934**	10,875
Finance income		**(3,449)**	(2,712)
Provision for KFAS, NLST and Zakat	21	**1,300**	463
Provision for slow moving inventory		**300**	416
Provision for employees' benefits		**1,322**	2,208
Operating profit before working capital changes		**214,189**	200,383
Working capital changes in:			
Other non-current assets		**(972)**	(2,174)
Inventories		**(3,571)**	862
Contract costs		**(1,370)**	537
Trade and other receivables		**(18,116)**	(15,383)
Other non-current liabilities		**7,075**	2,933
Trade and other payables		**5,446**	4,747
Deferred income		**1,482**	(5,219)
Contract liabilities		**372**	1,130
Cash generated from operations		**204,535**	187,816
Employees' benefits paid		**(1,936)**	(2,511)
Income tax paid	7	**(11,954)**	(10,076)
Net cash generated from operating activities		**190,645**	175,229
Cash flows from investing activities			
Increase in term deposits		**(11,642)**	(8,746)
Acquisition of property, plant and equipment	4	**(80,158)**	(74,148)
Proceeds from disposal of property, plant and equipment		**807**	125
Acquisition of intangible assets	5	**(4,478)**	(3,843)
Interest received		**3,449**	2,712
Net cash used in investing activities		**(92,022)**	(83,900)

The accompanying notes from 1 to 28 form an integral part of this consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 December

Cash flows from financing activities			
Finance costs paid		**(2,339)**	(4,127)
Dividend paid to shareholders of the parent		**(17,612)**	(7,863)
Dividend paid to non-controlling interests		**(9,744)**	(6,647)
Transaction with non-controlling interest		**(733)**	-
Payment to employee association fund		**(152)**	(165)
Proceeds from loans and borrowings		**3,518**	37,576
Repayments of loans and borrowings		**(16,591)**	(68,407)
Payments of lease liabilities including interest	13	**(30,639)**	(27,338)
Net cash used in financing activities		**(74,292)**	(76,971)
Net increase in cash and cash equivalents		**24,331**	14,358
Effect of exchange rate fluctuations		**(1,876)**	(2,996)
Cash and cash equivalents at the beginning of the year		**96,895**	85,533
Cash and cash equivalents at the end of the year	9	**119,350**	96,895

The accompanying notes from 1 to 28 form an integral part of this consolidated financial statements.

The accompanying notes 1 to 28 form part of these consolidated financial statements

Notes to the consolidated financial statements

For the year ended 31 December 2022

1. Reporting entity

National Mobile Telecommunications Company K.S.C.P. ("the Company") is a Kuwaiti shareholding company incorporated by Amiri Decree on 10 October 1997. The Company and its subsidiaries (together referred to as "the Group") are engaged in the following:

- Purchase, supply, installation, management and maintenance of wireless sets and equipment, mobile telephone services, pager system and other telecommunication services;
- Import and export of sets, equipment and instruments necessary for the purposes of the Company;
- Purchase or hiring communication lines and facilities necessary for providing the Company's services in co-ordination with the services provided by the State, but without interference or conflict herewith;
- Purchase of manufacturing concessions directly related to the Company's services from manufacturers or producing them in Kuwait;
- Introduction or management of other services of similar nature and supplementary to telecommunications services with a view to upgrade such services or rendering them integrated;
- Conduct technical research relating to the Company's business in order to improve and upgrade the Company's services in co-operation with competent authorities within Kuwait and abroad;
- Purchase and holding of lands, construction and building of facilities required for achieving the Company's objectives
- Purchase of all materials and machineries needed to undertake the Group's activities as well as their maintenance in all possible modern methods;
- Use of financial surplus available at the Company by investing the same in portfolios managed by specialized companies and parties as well as authorizing the board to undertake the same; and
- The Company may have interest or in any way participate with corporate and organizations which practice similar activities or which may assist it in achieving its objectives in Kuwait or abroad. It may acquire such corporates, or make them subsidiary.

The Company operates under a licence from the Ministry of Communications, State of Kuwait and elsewhere through subsidiaries in the Middle East, North Africa region and Maldives. The Company's shares are listed on the Boursa Kuwait.

The Company is a subsidiary of Ooredoo International Investments L.L.C., ("the Parent Company"), a subsidiary of Ooredoo Q.P.S.C. ("Ooredoo" or "the Ultimate Parent Company"), which is a Qatari shareholding company listed on the Qatar Exchange.

The address of the Company's registered office is Ooredoo Tower, Soor Street, Kuwait City, State of Kuwait, P.O. Box 613, Safat 13007, State of Kuwait.

These consolidated financial statements were approved for issue by the Board of Directors of the Company on 7 February 2023 and are subject to the approval of the Annual General Assembly of the shareholders which has the power to amend these consolidated financial statements.

2. Basis of preparation

The consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board ("IASB"), IFRS Interpretations Committee (IFRIC) and the relevant provisions of the Companies Law No. 1 of 2016 and its executive regulations.

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"), are measured at fair value;

Historical cost is based on the fair value of the consideration, which is given in exchange for goods and services.

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

Judgments, estimates and risk management

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments 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 27 and 25 respectively.

3. Significant accounting policies

The consolidated financial statements comprise the financial statements of the Company 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 have 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.

3.2 Basis of consolidation (continued)

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 intragroup 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 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 consideration that is not within the scope of IFRS 9 is measured at FV at each reporting date with changes in fair value are recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized 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 reassess whether we correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized 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 recognized 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 report 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 recognized 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 recognized as of that date. During the measurement period, the Group also recognize 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

Notes to the consolidated financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

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 consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

E) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. 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 Group, incorporated in the consolidated financial statements of National Mobile Telecommunications Company K.S.C.P. are as follows:

Name of subsidiary	Principal activity	Country of incorporation	Group effective shareholding percentage	
			2022	2021
Wataniya Telecom Algerie S.P.A. (WTA)	Telecommunication company	Algeria	71%	71%
Ooredoo Tunisie S.A.	Telecommunication company	Tunisia	75%	75%
Wataniya International FZ – L.L.C.	Investment company	UAE	100%	100%
Ooredoo Maldives PLC	Telecommunication company	Maldives	90.5%	90.5%
WARF Telecom International Pvt. Ltd.	Telecommunication company	Maldives	65%	65%
Wataniya Palestine Mobile Telecommunication Publish Shareholding Company "Ooredoo Palestine" (i)	Telecommunication company	Palestine	49.26%	49.26%
Phono for General Trading and Contracting Company W.L.L.	Telecommunication company	Kuwait	99%	99%
Fast Telecommunications Company W.L.L.	Telecommunication company	Kuwait	99%	99%
Ooredoo Consortium Ltd.	Investment company	Malta	100%	100%
Ooredoo Tunisia Holdings Ltd.	Investment company	Malta	100%	100%
Al Wataniya Gulf Telecommunications Holding Company S.P.C.	Investment Company	Bahrain	100%	100%
Abraj Al Kuwait Holding L.L.C. (ii)	Holding Company	Kuwait	100%	100%
Tunisia Towers Infraco (ii)	Holding Company	Kuwait	75%	75%
Mediterraneenne Prestations De Services (MPS) (ii)	Holding Company	Algeria	71%	71%

(i) The Group holds an effective 49.26% (2021: 49.26%) of Ooredoo Palestine and has established control over the entity as it can demonstrate power through holding 49.26% 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 time, where major decisions are taken with simple majority. This exposes and establishes rights of the Group to variable returns and gives ability to affect those returns through its power over Ooredoo Palestine.

(ii) These entities were incorporated during the year ended 31 December 2021 and are dormant.

3.3 Changes to significant accounting policies

1. New and amended standards adopted by the Group

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these consolidated financial statements:

New and revised IFRSs	Effective for annual periods beginning on or after
Property, plant and equipment: proceeds before intended use – amendments to IAS 16	1 January 2022

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The adoption of the above amendments does not have any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

Onerous contracts – cost of fulfilling a contract – amendments to IAS 37 — 1 January 2022

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The adoption of the above amendments does not have any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

Annual improvements to IFRS standards 2018-2020 — 1 January 2022

The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

Notes to the consolidated financial statements

For the year ended 31 December 2022

3. Significant Accounting Policies (cont.)

3.3 Changes to significant accounting policies (Continued)

1. New and amended standards adopted by the Group (Continued)

Annual Improvements to IFRS Standards 2018-2020 (Continued)	1 January 2022
The adoption of the above amendments does not have any material impact on the disclosures or on the amounts reported in these consolidated financial statements.	
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022
Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	
The adoption of the above amendments does not have any material impact on the disclosures or on the amounts reported in these consolidated financial statements.	

2. Impact of new standards (issued but not yet effective or adopted by the Group)

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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 customer, 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 recognizes 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 product 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).

The Group principally obtains revenue from following key segments:

Mobile services

Mobile service contracts typically consist of specific allowances for airtime usage, messaging and 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 recognized 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 router and/ or set-top box. Similar to mobile service contracts, fixed service revenue with locked equipment are recognized over the contract period, whereas revenue recognition for unlocked equipment is upon transfer of control to the customer.

Interconnection and roaming revenue

Revenue from interconnection and roaming services provided to other telecom operators are recognised based on satisfaction of performance obligations and by applying contractual rates net of estimated discounts.

3. Significant accounting policies (continued)

3.4 revenue (continued)

Customer loyalty schemes

The Group has concluded that it is acting as an agent on customer loyalty scheme arrangements which are redeemed through its partners hence revenue is accounted on 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). On this type of services, the Group determines whether they are acting as a principal and accordingly recognizes gross revenue if it is a principal, and net revenue if it is an agent.

Connection fees

The Group has concluded that connection fees charged for the activation of services will be recognized over the contract period. The connection fees that is not considered as a distinct performance obligation shall form part of the transaction price and recognised over the period of service.

Multi elements arrangements (Mobile contract plus handset)

The Group has concluded that in case of multiple elements arrangements with subsidized products delivered in advance, the component delivered in advance (e.g. mobile handset), will require recognition of a contract asset. Contract asset primary relates to the Group's right on 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 costs to fulfil a contract. The Group has capitalized these expenses as contract cost assets and amortized as per portfolio approach. Recognized 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 recognize revenue upon sale to dealers or distributors but upon utilisation or expiration of prepaid cards. Consequently, the commission arising from the sale of prepaid card is recognized 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 utilization or expiration of prepaid cards.

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.

Significant financing component

The Group has decided to recognize interest expense at appropriate annual interest rate over the contract period and total transaction price including financing component is recognized when equipment is delivered to 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 asset.

Notes to the consolidated financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

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 recognizes 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. 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.

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 property, 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.

3. Significant Accounting Policies (CONTINUED)

3.6 OTHER LOSSES - NET

Other losses - net represents income / (loss) generated by the Group that arises from activities outside of the provision for communication services and equipment sales. Key components of other losses - net are recognised as follows:

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 assets and liabilities 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 recognized in profit or loss, except when they related to items that are recognized in other comprehensive income or directly in equity, in which case, the current deferred tax are also recognized 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.

Notes to the consolidated financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

3.7 Taxes (continued)

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 judgments about future events. New information may become available that causes the Group to change its judgments 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.

Zakat, KFAS and NLST

Zakat, Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) and National Labour Support Tax (NLST) represent levies/taxes imposed on the Company at the flat percentage of net profits attributable to the Company less permitted deductions under the prevalent respective fiscal regulations of the State of Kuwait.

Tax / statutory levy	Rate
Contribution to KFAS	1.0% of net profit less permitted deductions
NLST	2.5% of net profit less permitted deductions
Zakat	1.0% of net profit less permitted deductions

3.8 Finance Cost

Finance costs comprise interest expense on lease liabilities and loans and borrowings, unwinding of the discount on provisions recognised in consolidated statement of profit or loss.

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
- Capitalized 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 capitalized as part of that equipment.

Recognition and measurement:(Continued)

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 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 plant and equipment are ready for operational use.

Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized 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.

3. Significant accounting policies (continued)

3.10 Property, Plant And Equipment (continued)

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 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 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

3.12 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.

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.

License and other intangible assets

The license and other intangible assets are being amortised on a straight-line basis over their useful lives. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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.

Notes to the consolidated financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

3.12 Intangible assets and goodwill (continued)

A summary of the useful lives and amortisation methods of Group's intangible assets other than goodwill are as follows:

	License and other intangible assets	Brand name
Useful lives	Finite (3 – 20 years)	Finite (6 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
Internally generated or acquired	Acquired	Acquired

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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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 recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 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.

3. Significant accounting policies (continued)

3.15 Financial assets (continued)

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.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. 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) 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.

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 – net' line item; 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 trade and other receivables, contract assets and bank balances. 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.

Notes to the consolidated financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

3.15 Financial assets (continued)

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 instead of on evidence of a financial asset being credit-impaired at the reporting date.

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.

Impairment of financial assets (Continued)

(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 statistical models to analyse the 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 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; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(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.

3. Significant accounting policies (continued)

3.15 Financial assets (continued)

(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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss. 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

The Group's financial liabilities are measured at amortised cost using the effective interest method.

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.

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 for financial liabilities that are not part of a designated hedging relationship.

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.

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 consolidated statement of profit or loss.

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3. Significant accounting policies (continued)

3.17 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 issue are accounted in compliance with local statutory requirements.

Dividend on ordinary share capital

Dividend distributions to the Group's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividend are approved by the shareholders. Dividend for the year that are approved after the reporting date of the consolidated financial statements are considered as an event after the reporting date.

Treasury shares

The cost of the Company's own shares purchased, including directly attributable costs, is classified under equity. Gains or losses arising on sale are separately disclosed under shareholders' equity and these amounts are not available for distribution. These shares are not entitled to cash dividends. The issue of bonus shares increases the number of treasury shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

3.18 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 anti-dilutive effect, basic and diluted EPS are stated at the same amount.

3.19 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.

3.20 Provisions

Provisions are recognized 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.

3. Significant accounting policies (continued)

3.20 Provisions (continued)

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.

Employee 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. This liability is unfunded. The Group expects this method to produce a reliable approximation of the present value of this obligation.

With respect to its Kuwaiti employees, the Group makes contributions to Public Institution for Social Security calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due. The Group expects this method to produce a reliable approximation of the present value of the obligations.

3.21 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 Kuwaiti Dinar at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Kuwaiti Dinar at the average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in this case income and expenses are translated at the rate on 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 a non-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 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.

3.22 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 recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss.

Notes to the consolidated financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

3.22 Impairment of non-financial assets (continued)

Impairment losses recognized 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 recognized 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.

3.23 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 28 to the consolidated financial statements.

3.24 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 on the consolidated financial statements when material.

4. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Exchange and network assets	Subscriber apparatus and other equipment	Capital work in progress	Total
Cost	**KD'000**	**KD'000**	**KD'000**	**KD'000**	**KD'000**
At 1 January 2021	64,828	1,144,143	128,617	74,676	1,412,264
Additions	130	43,418	3,198	27,402	74,148
Disposals	(133)	(5,130)	(2,594)	-	(7,857)
Transfers	1,235	36,462	(390)	(37,519)	(212)
Exchange adjustment	(1,590)	(46,860)	(3,411)	(3,142)	(55,003)
At 31 December 2021	**64,470**	**1,172,033**	**125,420**	**61,417**	**1,423,340**
Additions	**887**	**42,335**	**4,070**	**32,866**	**80,158**
Disposals	**(656)**	**(18,252)**	**(5,118)**	**(5)**	**(24,031)**
Transfers	**283**	**26,004**	**6,619**	**(33,141)**	**(235)**
Exchange adjustment	**180**	**(3,445)**	**(384)**	**214**	**(3,435)**
At 31 December 2022	**65,164**	**1,218,675**	**130,607**	**61,351**	**1,475,797**
Accumulated depreciation					
At 1 January 2021	33,976	790,808	106,436	-	931,220
Provided during the year	3,045	94,328	7,977	-	105,350
Impairment during the year	-	143	-	-	143
Disposals	(81)	(5,012)	(2,547)	-	(7,640)
Transfers	-	2,683	(2,683)	-	-
Exchange adjustment	(1,214)	(36,289)	(3,208)	-	(40,711)
At 31 December 2021	**35,726**	**846,661**	**105,975**	**-**	**988,362**

4. Property, plant and equipment (continued)

	Land and buildings	Exchange and network assets	Subscriber apparatus and other equipment	Capital work in progress	Total
	KD'000	**KD'000**	**KD'000**	**KD'000**	**KD'000**
Provided during the year	2,882	83,967	8,813	-	95,662
Disposals	(650)	(18,065)	(5,069)	-	(23,784)
Transfers	-	-	-	-	-
Exchange adjustment	114	(3,595)	(268)	-	(3,749)
At 31 December 2022	**38,072**	**908,968**	**109,451**	**-**	**1,056,491**
Carrying value					
At 31 December 2021	28,744	325,372	19,445	61,417	434,978
At 31 December 2022	**27,092**	**309,707**	**21,156**	**61,351**	**419,306**

5. Intangible assets and goodwill

	Goodwill	License and other intangible assets	Brand name	Total
Cost	**KD'000**	**KD'000**	**KD'000**	**KD'000**
At 1 January 2021	182,301	403,367	9,102	594,770
Additions	-	3,843	-	3,843
Disposals	-	(136)	-	(136)
Transfers	-	(7,473)	-	(7,473)
Exchange adjustment	(12,298)	(19,212)	(620)	(32,130)
At 31 December 2021	**170,003**	**380,389**	**8,482**	**558,874**
Additions	**-**	**4,478**	**-**	**4,478**
Disposals	**-**	**(2,366)**	**-**	**(2,366)**
Transfers	**-**	**1,804**	**-**	**1,804**
Exchange adjustment	**(11,190)**	**(6,684)**	**(562)**	**(18,436)**
At 31 December 2022	**158,813**	**377,621**	**7,920**	**544,354**
Accumulated amortisation				
At 1 January 2021	11,919	260,314	9,102	281,335
Provided during the year	-	15,834	-	15,834
Disposals	-	(134)	-	(134)
Transfers	-	(7,160)	-	(7,160)
Exchange adjustment	(857)	(12,359)	(620)	(13,836)
At 31 December 2021	**11,062**	**256,495**	**8,482**	**276,039**

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5. Intangible assets and goodwill (continued)

	Goodwill	License and other intangible assets	Brand name	Total
	KD'000	KD'000	KD'000	KD'000
Provided during the year	-	**13,841**	-	**13,841**
Disposals	-	**(2,366)**	-	**(2,366)**
Transfers	-	**978**	-	**978**
Exchange adjustment	**(780)**	**(2,296)**	**(562)**	**(3,638)**
At 31 December 2022	**10,282**	**266,652**	**7,920**	**284,854**
Carrying value				
At 31 December 2021	158,941	123,894	-	282,835
At 31 December 2022	**148,531**	**110,969**	**-**	**259,500**

i. Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to individual cash generating units (CGUs) for impairment testing as follows:

Cash generating units	Carrying value 2022	Carrying value 2021
	KD'000	KD'000
Ooredoo Tunisie S.A.	**146,604**	157,014
Fast Telecommunications Company W.L.L.	**1,927**	1,927
	148,531	158,941

i. Impairment testing of goodwill (Continued)

Goodwill was tested for impairment as at 31 December 2022. 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, 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.

Forecast revenue growth rates

Forecast revenue growth rates are 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.

Operating profits

Operating profits are forecast based on historical experience of operating margins and management's best estimate of future trends including new revenue streams, cost saving initiatives and expected efficiency improvements.

Discount rates

Discount rates reflect management's estimate of the risks specific to each unit. Discount rates are based on a weighted average cost of capital for each CGU and ranged from 8.98% to 12.79% (2021: 7% to 12%).

5. Intangible assets and goodwill (continued)

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.

The business plans take into account local market considerations such as the number of subscribers, roaming revenue, average revenue per user, operating costs, taxes, capital expenditure, and EBITDA. The growth rate does not exceed average long-term growth rate for the relevant markets and it ranges from 5.1% to 5.25% (2021: 4% to 5%).

The Group has also performed a sensitivity analysis by varying discount and growth rate by a reasonable possible margin. Based on such analysis, there are no indications that Goodwill is impaired considering the level of judgements and estimations used.

6. Right-of-use assets

	Land and buildings	Exchange and network assets	Subscriber apparatus and other equipment	Total
Cost	**KD'000**	**KD'000**	**KD'000**	**KD'000**
At 1 January 2021	26,030	147,031	5,213	178,274
Additions	-	17,272	3,063	20,335
Reduction on early termination	(248)	(1,911)	(103)	(2,262)
Exchange adjustment	(1,137)	(3,605)	(282)	(5,024)
At 31 December 2021	**24,645**	**158,787**	**7,891**	**191,323**
Additions	**3,220**	**23,207**	**4,331**	**30,758**
Reduction on early termination	**(218)**	**(1,620)**	**(84)**	**(1,922)**
Exchange adjustment	**(72)**	**(1,097)**	**19**	**(1,150)**
At 31 December 2022	**27,575**	**179,277**	**12,157**	**219,009**
Accumulated amortisation				
At 1 January 2021	10,630	43,661	2,874	57,165
Provided during the year	3,263	17,494	1,686	22,443
Reduction on early termination	-	(705)	(56)	(761)
Exchange adjustment	(573)	(1,325)	(171)	(2,069)
At 31 December 2021	**13,320**	**59,125**	**4,333**	**76,778**
Provided during the year	3,488	18,445	1,367	23,300
Reduction on early termination	(49)	(708)	(84)	(841)
Exchange adjustment	53	(468)	20	(395)
At 31 December 2022	**16,812**	**76,394**	**5,636**	**98,842**
Carrying value	11,325	99,662	3,558	114,545
At 31 December 2021				
At 31 December 2022	**10,763**	**102,883**	**6,521**	**120,167**

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For the year ended 31 December 2022

6. Right-of-use assets (continued)

Following the election of the Group not to recognize right-of-use assets and lease liabilities for short-term and low-value leases, KD 398 thousand and KD 64 thousand respectively (2021: KD 660 thousand and KD 112 thousand respectively), were recognized as expenses during the year. Moreover, variable lease payments which were recognized as expenses during 2022 amounted to KD 341 thousand (2021: KD 334 thousand).

7. Taxation

The Company is not subject to corporate income tax in the State of Kuwait. 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:

	2022	2021
	KD'000	KD'000
Current income tax		
Current income tax charge	**17,973**	16,758
Deferred income tax		
Relating to origination and reversal of temporary differences	**(1,181)**	(2,683)
	16,792	14,075

The tax rate applicable to the taxable subsidiaries is in 24.42% (2021: 25.78%). 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 allowed in accordance with respective tax laws of subsidiaries.

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 Group tax reconciliation is presented as follows:

	2022	2021
	KD'000	KD'000
Profit before tax	**66,524**	39,291
Gain of parent and subsidiaries not subject to corporate income tax	**(5,544)**	3,284
Profit of parent and subsidiaries subject to corporate income tax	**60,980**	42,575
Add:		
Allowances, accruals and other temporary differences	**(997)**	14,902
Expenses and income that are not subject to corporate tax	**13,369**	7,600
Depreciation – net of accounting and tax	**246**	(75)
Taxable profit of subsidiaries and associates that are subject to corporate income tax	**73,598**	65,002
Income tax charge at the effective income tax rate of 24.42% (2021: 25.78%)	**17,973**	16,758

7. Taxation (continued)

Movement of deferred tax asset – net:

	2022	2021
	KD'000	KD'000
At 1 January	**25,189**	23,839
Benefit	**1,181**	2,683
Exchange adjustment	**191**	(1,333)
At 31 December	**26,561**	25,189

Movement of income tax payable:

	2022	2021
	KD'000	KD'000
At 1 January	**10,551**	7,944
Provided during the year	**17,973**	16,758
Paid during the year	**(11,954)**	(10,076)
Exchange adjustment	**171**	(4,075)
At 31 December	**16,741**	10,551

8. Trade and other receivables

	2022	2021
	KD'000	KD'000
Trade receivables	**189,621**	178,740
Contract assets	**48,219**	40,302
Advances and prepayments	**23,472**	29,016
Other receivables	**9,564**	7,407
	270,876	255,465
Less: Expected credit loss	**(96,119)**	(92,972)
	174,757	162,493

As of 31 December 2022, expected credit loss include an amount of KD 92,413 thousand (2021: KD 89,583 thousand) provision related to trade receivable.

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 days depending on the type of customer and local market conditions. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. 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.

Notes to the consolidated financial statements

For the year ended 31 December 2022

8. Trade and other receivables (continued)

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 different customer base.

	31 December 2022			31 December 2021		
Aging buckets	Estimated total gross carrying amount at default	Expected credit loss rate	Lifetime ECL	Estimated total gross carrying amount at default	Expected credit loss rate	Lifetime ECL
	KD'000	%	KD'000	KD'000	%	KD'000
< 30 days	**48,092**	**5.94%**	**2,855**	48,665	5.61%	2,728
31 – 60 days	**8,485**	**10.08%**	**855**	6,776	11.82%	801
61 – 90 days	**5,017**	**19.25%**	**966**	3,880	20.70%	803
> 90 days	**128,027**	**68.53%**	**87,737**	119,419	71.39%	85,251
	189,621		**92,413**	178,740		89,583

The below table shows the collective assessment of movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	2022	2021
	KD'000	KD'000
Balance as at 1 January	**92,972**	95,909
Allowance for impairment	**6,948**	5,985
Amounts written off	**(3,207)**	(7,089)
Foreign exchange differences	**(594)**	(1,833)
Balance as at 31 December	**96,119**	92,972

9. Bank balances and cash

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following items:

	2022	2021
	KD'000	KD'000
Bank balances and cash	**158,601**	124,449
Expected credit loss	**(93)**	(38)
Bank balances and cash in the consolidated statement of financial position	**158,508**	124,411
Less:		
Deposits with maturity of more than three months	**(18,416)**	(11,726)
Restricted deposits	**(20,742)**	(15,790)
Cash and cash equivalents as per consolidated statement of cash flows at 31 December	**119,350**	96,895

9. Bank balances and cash (continued)

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 10.7% (2021: 0.19% to 7.29%).

Deposits with maturity of more than three months were reclassified from bank balances and cash.

The restricted deposits primarily pertain to dividend payments, issuance of bank guarantees and collateral against loans and borrowings. These restricted deposits are subject to regulatory and/or other restrictions and are therefore not available for general use by the Group.

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. Accordingly, the management of 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 bank, the Group has recorded an impairment loss of KD 55 thousand during the year ended 31 December 2022 (2021: reversal of impairment loss of KD 7 thousand).

10. Equity

a) Share Capital

The authorised, issued and fully paid up share capital as at 31 December 2022 consists of 504,033 thousand shares (2021: 504,033 thousand shares) of 100 fils each, contributed in cash.

b) Treasury Share

	2022	2021
Number of shares (000's)	**2,871**	2,871
Percentage of issued shares	**0.57%**	0.57%
Cost (KD 000's)	**3,598**	3,598
Market value (KD 000's)	**3,327**	1,792

The Company is required to retain reserves and retained earnings at an equivalent rate of the treasury shares as non-distributable throughout the period, in which they are held by the Company, in accordance with the instructions of the relevant regulatory authorities.

c) Statutory reserve

In accordance with the Companies Law No. 1 of 2016 and its executive regulations and the Company's Articles of Association, as amended, 10% of profit for the year attributable to shareholders of the Company before KFAS, NLST, Zakat and Directors' remuneration is required to be transferred to a statutory reserve until the reserve exceeds 50% of the paid up share capital. This reserve is not available for distribution except for the amount in excess of 50% of share capital or for payment of a dividend of 5% of paid up share capital in years when retained earnings are not sufficient for the payment of such dividends.

The Company has discontinued further transfers to statutory reserve as it has exceeded 50% of the authorised, issued and fully paid up share capital.

d) Voluntary reserve

In accordance with the Company's Articles of Association, as amended, 10% of profit for the year attributable to shareholders of the Company before KFAS, NLST, Zakat and Directors' remuneration is required to be transferred to the voluntary reserve until the shareholders decide to discontinue the transfer to the voluntary reserve. During the current year, an amount of KD 4,144 thousand has been transferred to voluntary reserve (2021: KD 2,035 thousand). There are no restrictions on distributions from the voluntary reserve.

e) Dividends

The Annual General Assembly of the Company, held on 16 March 2022, approved the consolidated financial statements of the Group for the year ended 31 December 2021 and the payment of cash dividend of 35 fils per share for the year ended 31 December 2021 to the Company's shareholders existing as at 11 April 2022 (2021: cash dividend of 15 fils per share for the year ended 31 December 2020).

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10. Equity (continued)

The Board of Directors proposed a cash dividend of 70 fils per share for the year ended 31 December 2022 (2021: 35 fils per share). This proposal is subject to the approval of the shareholders in the Annual General Assembly and has not been accounted for in these consolidated financial statements.

(F) Other reserves

	Share premium	Statutory reserve	Voluntary reserve	Gain on sale of treasury shares	Fair value reserve	Other reserves	Total reserves
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
At 1 January 2021	66,634	32,200	136,743	6,914	(2,962)	3,412	242,941
Other comprehensive Loss for the year	-	-	-	-	(320)	-	(320)
Transfer to voluntary reserve	-	-	2,035	-	-	-	2,035
At 31 December 2021	66,634	32,200	138,778	6,914	(3,282)	3,412	244,656
At 1 January 2022	**66,634**	**32,200**	**138,778**	**6,914**	**(3,282)**	**3,412**	**244,656**
Other comprehensive Loss for the year	**-**	**-**	**-**	**-**	**(389)**	**-**	**(389)**
Transfer to voluntary reserve	**-**	**-**	**4,144**	**-**	**-**	**-**	**4,144**
At 31 December 2022	**66,634**	**32,200**	**142,922**	**6,914**	**(3,671)**	**3,412**	**248,411**

11. Summarised financial information of subsidiaries with material non-controlling interest

The following table summarizes the information relating to each of the Group's subsidiaries that have material non-controlling interests, before any intra-group eliminations:

	WTA	Ooredoo Palestine	Ooredoo Tunisie S.A.
	KD'000	KD'000	KD'000
31 December 2022			
Non-current assets	**245,043**	**49,571**	**102,804**
Current assets	**63,970**	**28,942**	**67,219**
Non-current liabilities	**(28,129)**	**(18,066)**	**(29,079)**
Current liabilities	**(148,706)**	**(19,576)**	**(82,262)**
Net assets	**132,178**	**40,871**	**58,682**
Carrying amount of NCI	**38,332**	**20,737**	**14,671**
Revenue	**186,900**	**35,383**	**123,498**
Profit	**7,079**	**5,101**	**22,224**
Profit allocated to NCI	**2,053**	**2,588**	**5,556**
31 December 2021			
Non-current assets	240,617	50,990	106,375
Current assets	58,064	19,685	71,669
Non-current liabilities	(25,688)	(17,608)	(27,906)
Current liabilities	(121,739)	(17,669)	(91,780)
Net assets	151,254	35,398	58,358
Carrying amount of NCI	43,864	17,960	14,590
Revenue	188,464	33,843	133,997
Profit	3,693	4,048	12,417
Profit allocated to NCI	1,071	2,054	3,104

12. Loans and borrowings

	Current		Non-current	
	2022	2021	**2022**	2021
	KD'000	KD'000	**KD'000**	KD'000
Due to local banks	**-**	27	**-**	-
Due to local banks related to subsidiaries	**7,866**	16,441	**7,873**	12,696
	7,866	16,468	**7,873**	12,696

The comparative fair value and carrying value of the Group's long term debts are as follow:

	Carrying amounts		Fair values	
	2022	2021	**2022**	2021
	KD'000	KD'000	**KD'000**	KD'000
Fixed rates	**4,145**	1,485	**4,145**	1,485
Floating rates	**11,594**	27,679	**11,656**	27,762
	15,739	29,164	**15,801**	29,247

The details of long-term debts are as follows:

	Description	2022	2021
		KD'000	KD'000
a)	Unsecured debts from banks in Algeria not subject to any financial covenants. These debts carry an effective interest rates nil per annum (2021: between 5% to 5.15%). These debts were denominated in Algerian Dinar and fully settled during 2022.	**-**	4,468
b)	Unsecured debts of the Company from banks in Kuwait which are subject to certain financial covenants over the terms of those debts. These debts carry an effective interest rates of nil per annum (2021: 2.1%). These are denominated in Kuwait Dinar.	**-**	27
c)	Unsecured debts of Ooredoo Tunisie S.A. from banks in Tunisia which are subject to certain financial covenants to be complied on an annual basis. These debts bear an average effective interest rate of 8.16% per annum (2021: 7.62%). The instalments of principal and interest are payable quarterly. The first instalment of principal was paid in June 2019, the first instalment of interest was paid in June 2018. The last instalments of principal and interest are payable in June 2024.	**3,330**	8,758
d)	Unsecured and secured debts from banks in Maldives amounted to KD 6,735 thousand and KD 5,674 thousand respectively. The secured debts are against fixed deposits of Ooredoo Maldives PLC. These loans carry an effective interest rate between 3M LIBOR + 4.12% and 8.5% (2021: between 4.29% and 8.5%). These debts are repayable within the range of 30-60 monthly instalments respectively with accrued interest. These are denominated in US Dollar.	**12,409**	15,911
		15,739	29,164

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13. Lease liabilities

	2022 KD'000	2021 KD'000
At January 1	**120,853**	125,843
Additions during the year	**30,758**	20,335
Interest expense on lease liability (Note 20)	**6,635**	6,699
Payment of lease liabilities including interest	**(30,639)**	(27,338)
Reduction on early termination	**(1,080)**	(1,238)
Exchange adjustments	**(1,107)**	(3,448)
At 31 December	**125,420**	120,853

	2022 KD'000	2021 KD'000
Non-current portion	**102,968**	100,710
Current portion	**22,452**	20,143
	125,420	120,853

14. Trade and other payables

	2022 KD'000	2021 KD'000
Trade payables	**84,337**	83,903
Accrued expenses	**177,556**	173,932
Other tax payables	**18,221**	17,057
Staff payables	**19,794**	16,229
Dividend payables	**10,712**	6,943
Other payables	**8,937**	10,978
	319,557	309,042

15. 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 unutilized 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.

16. 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 (note 28).

	2022 KD'000	2021 KD'000
Revenue from rendering of services	**551,385**	539,470
Sale of telecommunication equipment	**68,150**	61,383
Others	**774**	879
	620,309	601,732

16. Revenue (continued)

	2022 KD'000	2021 KD'000
At a point in time	**68,150**	61,383
Overtime	**552,159**	540,349
	620,309	601,732

17. Network, interconnect and other operating expenses

	2022 KD'000	2021 KD'000
Outpayments and interconnect charges	**(76,618)**	(76,316)
Regulatory and related fees	**(45,325)**	(45,318)
Rentals and utilities	**(11,757)**	(11,867)
Network operation and maintenance	**(41,262)**	(44,308)
Cost of equipment sold and other services	**(77,627)**	(70,420)
Marketing costs and sponsorship	**(10,579)**	(9,416)
Commission on cards	**(28,979)**	(29,375)
Legal and professional fees	**(4,537)**	(1,577)
Provision for obsolete and slow-moving inventories	**(300)**	(416)
Other expenses	**(15,956)**	(22,786)
	(312,940)	(311,799)

18. Employee salaries and associated cost

	2022 KD'000	2021 KD'000
Salaries and allowances	**(71,485)**	(72,896)
End of service benefits	**(1,322)**	(2,208)
Training and related costs	**(628)**	(537)
Pension contribution	**(228)**	(94)
	(73,663)	(75,735)

19. Depreciation and amortisation

	2022 KD'000	2021 KD'000
Depreciation of property, plant and equipment (Note 4)	**(95,662)**	(105,350)
Amortisation of intangible assets (Note 5)	**(13,841)**	(15,834)
Amortisation of right-of-use assets (Note 6)	**(23,300)**	(22,443)
	(132,803)	(143,627)

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20. Finance costs

	2022	2021
	KD'000	KD'000
Interest expenses	**(1,766)**	(3,163)
Interest cost on lease liability (Note 13)	**(6,635)**	(6,699)
Other finance charges	**(533)**	(1,013)
	(8,934)	(10,875)

21. Contribution to KFAS, NLST and Zakat

	2022	2021
	KD'000	KD'000
KFAS	**(415)**	(203)
NLST	**(632)**	(186)
Zakat	**(253)**	(74)
	(1,300)	(463)

22. 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.

	2022	2021
Profit for the year attributable to shareholders of the parent (KD'000)	**39,463**	19,250
Number of shared outstanding:		
Weighted average number of paid up shares (000's)	**504,033**	504,033
Weighted average number of treasury shares (000's)	**(2,871)**	(2,871)
Weighted average number of outstanding shares (000's)	**501,162**	501,162
Basic and diluted earnings per share (fils)	**79**	38

23 Related Party Disclosures

Related party transactions and balances

Related parties represent major shareholders, directors and key management personnel of the Group and entities controlled, controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on consolidation and are not disclosed in this note. Balances and transactions with related parties are as follows:

	As at 31 December	
	2022	2021
	KD'000	KD'000
a) Balances included in the consolidated statement of financial position		
Payable to:		
Ooredoo Group L.L.C – fellow subsidiary	**19,195**	14,316
Ooredoo IP L.L.C – fellow subsidiary	**2,673**	2,035
Ooredoo Oman – fellow subsidiary	**24**	54
Receivable from:		
Ultimate parent company	**435**	704
Asiacell Communications PJSC - fellow subsidiary	**390**	536
Others – fellow subsidiary	**-**	13

	Year ended 31 December	
	2022	2021
	KD'000	KD'000
b) Transactions included in the consolidated statement of profit or loss		
Revenue from:		
Ultimate parent company	**3,330**	4,273
Others - fellow subsidiary	**31**	9
Operating expenses to:		
Ultimate parent company	**316**	680
Others - fellow subsidiary	**57**	59
Management fees to Ooredoo Group L.L.C – fellow subsidiary	**13,558**	12,950
Brand license fees to Ooredoo IP L.L.C - fellow subsidiary	**3,971**	3,565
	17,529	16,515

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23 Related party disclosures (continued)

c)	**Compensation of key management personnel:**		
	Short term benefits	**8,013**	7,608
	Termination benefits	**457**	669
		8,470	8,277

During the year, the Group has entered into transactions with related parties on terms approved by the management.

24. Commitments, contingent liabilities and litigations

		2022	2021
		KD'000	KD'000
a)	**Capital commitments**		
	For the acquisition of property and equipment	**28,045**	29,888
	For the acquisition of mobile license in a subsidiary *	**51,723**	51,165
		79,768	81,053
b)	**Contingent liabilities**		
	Letters of guarantee	**5,254**	4,903
	Letters of credit	**9,055**	8,941
		14,309	13,844

Litigation and claims:

- In September 2019, the Minister of Finance and Minister of Telecom and IT (MTIT) issued a letter notifying Ooredoo Palestine to pay the remaining unpaid second and third payment of the license fee. The unpaid portion of the license cost of KD 51,723 thousand represents the unrecognized liability in the condensed consolidated interim financial information resulting from MTIT not fulfilling its obligations in relation with granting the Ooredoo Palestine access to Gaza and 3G frequencies amongst other things. Management, supported by their external legal advisors, is of the view that Ooredoo Palestine has strong grounds to defend these claims.

(a) In October 2019, the Algerian Central Bank claimed an amount of KD 22,488 thousand in respect of certain alleged foreign currency violations by WTA. Currently, WTA's appeal against this claim is in the Court of Cassation.

(b) In October 2019, a third party vendor of WTA obtained an order from the Judicial Authorities of Algeria to block an amount of KD 1,915 thousand from WTA's bank account. WTA appealed to the Court against this.

(c) Claims against Ooredoo Maldives PLC amounting to KD 1,329 thousand from the First Instance Civil Court of Maldives citing breach of contract based on a civil case filed by a third party. Ooredoo Maldives PLC has appealed against this claim in the High Court of Maldives in January 2019 and received a favourable decision on 30 August 2021.

(d) 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 April 2022, the second-degree judgement is issued in favour of the Group.

25. Financial risk management

Objectives and policies

The Group's principal financial liabilities 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 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 summarized 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 optimizing return. The Group exposure is not significant.

Interest rate risk

The Group's financial assets and liabilities that are subject to interest rate risk comprise bank deposits, loans 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 following table illustrates the sensitivity of the profit as well as equity to a reasonably possible change in interest rates of 1% (2021: 1%). The calculations are based on the Group's financial instruments held at each reporting date. A positive number below indicates an increase in profit and a negative number indicates a decrease in profit.

	Increase	2022	2021
		KD'000	KD'000
Impact on profit	+1	**(196)**	(413)

Sensitivity to interest rate movements will be on a symmetric basis.

The Group has closely monitored the market and the output from the various industry working groups managing the transition to new benchmark interest rates.

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.

	Net exposure impacting net profit		Net exposure impacting equity	
	2022	2021	**2022**	2021
	KD'000	KD'000	**KD'000**	KD'000
USD Dollar	**(17,428)**	(8,490)	**10,284**	1,361
MVR Rufiyaa	**-**	-	**15,658**	11,112
Tunisian Dinar	**-**	-	**(23,979)**	(43,370)
Algerian Dinar	**-**	-	**(84,315)**	(85,868)
UAE Dirham	**-**	-	**(5,190)**	(4,139)
Euro	**655**	3,379	**-**	-
Others	**1,603**	1,535	**-**	-

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25. Financial risk management (continued)

The following table demonstrates the sensitivity to consolidated statement of profit or loss and equity to a 10% increase in the KD against the other currencies (a reasonably possible change), 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:

	Impact on net profit		Impact on equity	
	2022	2021	**2022**	2021
	KD'000	KD'000	**KD'000**	KD'000
USD Dollar	**1,743**	849	**(1,028)**	(136)
MVR Rufiyaa	**-**	-	**(1,566)**	(1,111)
Tunisian Dinar	**-**	-	**2,398**	4,337
Algerian Dinar	**-**	-	**8,431**	8,587
UAE Dirham	**-**	-	**519**	414
Euro	**(65)**	(338)	**-**	-
GBP	**(160)**	(154)	**-**	-

Equity price risk

Equity price risk is the risk that the fair values of equities will fluctuate as a result of changes in the level of equity indices or the value of individual share prices. Equity price risk arises from the change in fair values of listed equity investments. The Group manages the risk through diversification of investments in terms of industry concentration. The effect of equity price risk on profit for the year of the Group is not significant.

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's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of trade receivables, bank balances and deposits and other non-current assets.

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's maximum exposure as at 31 December is as follows:

	2022	2021
	KD'000	KD'000
Trade and other receivables	**151,285**	133,477
Bank balances	**154,251**	121,274
Other non-current assets	**4,091**	3,224
	309,627	257,975

The Group reduces the exposure of credit risk arising from bank balances by maintaining bank accounts in reputed banks.

25. Financial risk management (continued)

The maximum exposure to credit risk for financial assets at the reporting date by geographic region was:

	2022	2021
	KD'000	KD'000
Kuwait	**132,637**	100,413
Tunisia	**58,789**	64,083
Algeria	**41,407**	33,415
Maldives	**47,483**	42,007
Palestine	**27,510**	18,045
Others	**1,801**	12
	309,627	257,975

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 refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2022 and 2021, 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.

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.

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25. Financial risk management (continued)

The tables below detail the credit quality of the Group's financial assets, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

	Rated	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			KD'000	**KD'000**	**KD'000**
31 December 2022					
Cash and bank balances	Rated	12 month ECL	**154,344**	**(93)**	**154,251**
Trade and other receivables (i)	Not Rated	Lifetime ECL	**247,404**	**(96,119)**	**151,285**
Other non-current assets	Not Rated	Lifetime ECL	**4,350**	**(259)**	**4,091**

	Rated	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			KD'000	KD'000	KD'000
31 December 2021					
Cash and bank balances	Rated	12 month ECL	121,312	(38)	121,274
Trade and other receivables (i)	Not Rated	Lifetime ECL	226,449	(92,972)	133,477
Other non-current assets	Not Rated	Lifetime ECL	3,471	(247)	3,224

(i) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

The Group holds no collateral over any of these balances.

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 summarizes the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments:

25. Financial risk management (continued)

	Less than 1 year	1 to 5 years	> 5 year	Total
	KD'000	**KD'000**	**KD'000**	**KD'000**
At 31 December 2022				
Loans and borrowings	**8,724**	**8,408**	**-**	**17,132**
Trade payables	**319,557**	**-**	**-**	**319,557**
Lease liabilities	**27,688**	**87,236**	**37,452**	**152,376**
Other non-current liabilities	**-**	**11,929**	**13,723**	**25,652**
	355,969	**107,573**	**51,175**	**514,717**
At 31 December 2021				
Loans and borrowings	17,931	13,491	-	31,422
Trade payables	309,042	-	-	309,042
Lease liabilities	26,263	91,671	32,683	150,617
Other non-current liabilities	-	5,002	13,575	18,577
	353,236	110,164	46,258	509,658

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the Group performance in relation to its long range business plan and its long-term profitability objectives.

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

26. Fair values of financial instruments

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.

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26. Fair values of financial instruments (continued)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities at 31 December 2022 and 2021:

	2022		
	Level 1	**Level 2**	**Total**
	KD'000	KD'000	KD'000
Financial assets – equity instruments			
Listed equity securities	**115**	**-**	**115**
Unlisted equity securities	**-**	**1,096**	**1,096**
	115	**1,096**	**1,211**

	2021		
	Level 1	**Level 2**	**Total**
	KD'000	KD'000	KD'000
Financial assets – equity instruments	80	-	80
Unlisted equity securities	-	1,520	1,520
	80	1,520	1,600

The fair value of the financial assets and liabilities approximate their carrying value.

27. Significant accounting judgements and estimates

The preparation of the consolidated financial statements in compliance with IFRS 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.

Judgments 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.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized 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.

- **Judgments in determining the timing of satisfaction of performance obligations**

The Group generally recognise revenue over time as it performs continuous transfer of control of these services to the customers. Because customers simultaneously receives and consumes 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.

27. Significant accounting judgements and estimates (continued)

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 judgment, 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.

Principal versus agent

Significant judgments 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.

These indicators are used to determine whether the Group has exposure to the significant risks and rewards associated with the sale of goods or rendering of services. For example, any sale relating to inventory that is held by the Group, not on consignment, is a strong indicator that the Group is acting as a principal.

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. The majority of the termination options held are exercisable both by the Group and the respective lessor. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. 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.

Estimates

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.

Notes to the consolidated financial statements

For the year ended 31 December 2022

27. Significant accounting judgements and estimates (continued)

Estimates (continued)

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:

- 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; and
- the selection of discount rates 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 note 5 for the impairment assessment for goodwill.

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 5).

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.

28. 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, the Group Chief Financial Officer, 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 Kuwait, the Group operates through its subsidiaries and major operations 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. Apart from its operations in Kuwait, the Company also operates through its foreign subsidiaries in Algeria, Tunisia, Maldives and Palestine.

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.

Segment information (continued)

Operating segments

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2022 and 2021:

		Outside Kuwait					
	Inside Kuwait	Tunisia	Algeria	Maldives	Others	Un-allocated	Total
Year ended 31 December 2022							
Segment revenues	**236,301**	**123,498**	**186,900**	**38,227**	**35,383**	**-**	**620,309**
Segment profit before tax	**9,541**	**30,514**	**11,639**	**13,167**	**5,501**	**(3,838)**	**66,524**
Depreciation and amortisation	**(43,957)**	**(20,226)**	**(52,664)**	**(4,959)**	**(7,159)**	**(3,838)**	**(132,803)**
Finance costs	**(1,856)**	**(2,881)**	**(2,333)**	**(1,655)**	**(209)**	**-**	**(8,934)**
Income tax	**(890)**	**(8,291)**	**(4,560)**	**(2,045)**	**(1,006)**	**-**	**(16,792)**
As at 31 December 2022							
Segment assets	**355,641**	**170,021**	**309,010**	**83,700**	**80,341**	**191,733**	**1,190,446**
Segment liabilities	**198,402**	**111,339**	**167,505**	**34,806**	**42,919**	**-**	**554,971**
Year ended 31 December 2021							
Segment revenues	210,458	133,997	188,464	34,970	33,843	-	601,732
Segment profit before tax	1,600	21,716	5,644	10,738	4,464	(4,871)	39,291
Depreciation and amortisation	(46,482)	(24,325)	(55,737)	(4,908)	(7,304)	(4,871)	(143,627)
Finance costs	(2,158)	(3,466)	(3,839)	(1,113)	(299)	-	(10,875)
Income tax	(498)	(9,299)	(1,951)	(1,644)	(683)	-	(14,075)
As at 31 December 2021							
Segment assets	339,550	178,044	298,681	74,811	70,711	209,721	1,171,518
Segment liabilities	198,903	119,686	147,426	33,327	39,437	-	538,779