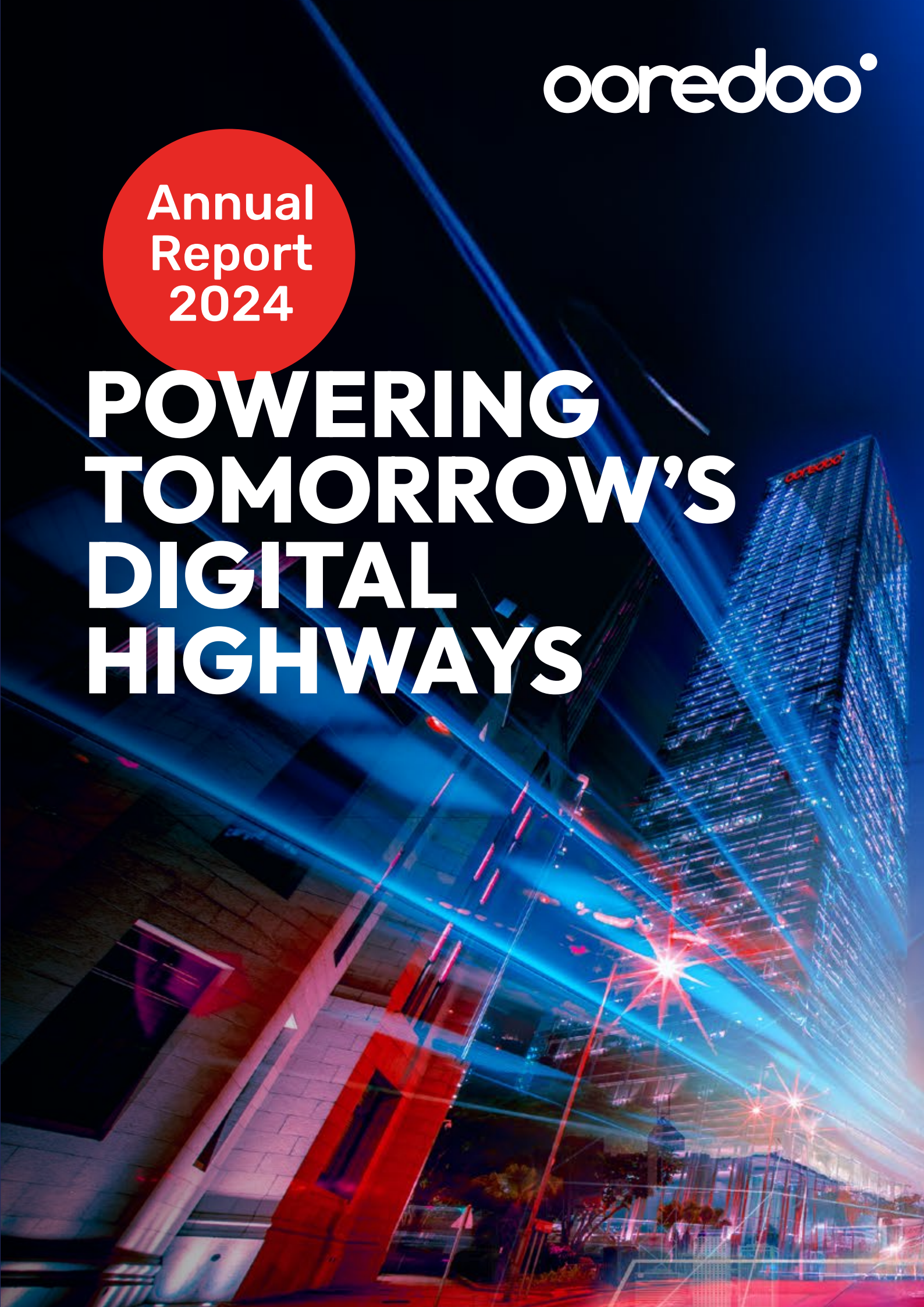


ooredoo<sup>o</sup>

Annual  
Report  
2024

# POWERING TOMORROW'S DIGITAL HIGHWAYS



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

"The Most Gracious, The Most Merciful"



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



**His Highness Sheikh  
Sabah Al-Khaled Al-Hamad Al-Sabah**  
Crown Prince

2024

# A YEAR OF UPGRADE

In 2024, Ooredoo continued its global success, achieving significant results through strategic growth and sustainable business practices. This performance solidified our position as a leading telecommunications provider, creating substantial value.

This integrated annual report offers a detailed review of our financial achievements and key strategic initiatives. It highlights our ongoing transformation towards a 'Smart Telco' model, emphasizing our commitment to innovation and excellence. We are proud to showcase our progress in building a more connected, inclusive, and sustainable future for all stakeholders.



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# CHAIRMAN'S MESSAGE



**“As part of our ongoing transformation, we are continuously executing our strategic initiatives, designed to position Ooredoo Kuwait as the region’s foremost provider of end-to-end digital solutions. We will continue to deploy substantial investments in digital innovation across key sectors, accelerating Kuwait’s emergence as a leading regional digital hub.”**

## Dear Shareholders,

It is my distinct pleasure to announce that Ooredoo Kuwait has delivered another stellar year in 2024. Our exceptional performance is evidenced by significant growth across key financial metrics and our consistent ability to deliver substantial value to our stakeholders. This success stands as a testament to the diligent execution of our strategic plan, robust operational progress, and our steadfast commitment to generating superior shareholder returns.

## Reflecting on Our 2024 Success

This past year, our focus on fortifying core operations while exploring new growth avenues has yielded impressive outcomes. We have not only reinforced our position in the telecommunications market but also set new benchmarks for innovation and customer satisfaction. Our achievements are deeply rooted in our ability to adapt and lead in a dynamic digital landscape.

## Strengthening Our Core and Embracing New Opportunities

Our strategy centers on two key pillars:

- **Operational Excellence:** By refining our core operations, we have enhanced efficiency and improved service delivery. This foundation has allowed us to consistently outperform market expectations.
- **Exploring New Growth Avenues:** We remain resolute in our vision to expand our market presence and invest in cutting-edge technologies. In alignment with Kuwait’s “New Kuwait 2035” vision, our efforts are geared toward driving digital transformation that accelerates economic diversification while enriching the cultural and social fabric of the nation.

## Technological Innovation and Network Enhancement

At Ooredoo, innovation is at the heart of everything we do. Our continuous investment in advanced technology has transformed the way individuals, businesses, and communities interact. Key initiatives include:

- **5G Network Expansion:** Today, 98% of Kuwait’s population enjoys access to our advanced 5G network. This extensive coverage not only underscores our commitment to connectivity but also paves the way for pioneering applications that support Kuwait’s ambitions as a regional digital hub.
- **Artificial Intelligence Integration:** By harnessing the power of Artificial Intelligence, we have enhanced our network’s capabilities. Through advanced analytics and automation, our systems monitor operations in real time, proactively identifying and resolving issues to ensure an exceptional customer experience.
- **Digital Education and Talent Development:** Recognizing the critical importance of nurturing local talent, we have launched several initiatives aimed at empowering Kuwait’s youth. By partnering with educational institutions and technology incubators, we are preparing the next generation for the digital economy.

## Commitment to Environmental, Social, and Governance (ESG) Initiatives

Our ESG initiatives have been at the forefront of our 2024 strategy. We have:

- **Pursued Sustainable Practices:** Our commitment to sustainable and responsible business practices is reflected in our ongoing efforts to minimize environmental impact while promoting energy-efficient technologies.

- **Strengthened Community Engagement:** Through targeted outreach and community partnerships, we are not only improving digital access but also fostering economic and social development across Kuwait.

## Paving the Way Forward

Ooredoo Kuwait Group is uniquely positioned to lead Kuwait’s digital evolution and sustainable growth. Our forward-thinking strategy focuses on:

- **Strategic Projects and Partnerships:** We are dedicated to establishing Ooredoo Kuwait as the foremost provider of integrated digital solutions. By forging robust partnerships and investing in transformative projects, we are aligning our efforts with the broader ambitions of our nation.
- **Digital Transformation Across Sectors:** Our commitment to digital innovation continues as we invest in solutions that drive transformation across various sectors. This directly supports the “New Kuwait 2035” vision, promoting a future where technology and tradition coexist harmoniously.
- **Customer-Centric Services:** We are continually developing services that cater to the evolving needs of our customers and the state. By designing solutions that support digital lifestyles and enhance community engagement, we ensure that our technological advancements translate into tangible benefits for all Kuwaitis.

## Gratitude and Our Vision for the Future

I extend my sincere gratitude to our Board Members for their unwavering guidance, and to our customers, shareholders, and employees for their enduring support. The remarkable results we celebrate today are a direct outcome of their trust, engagement, and collective dedication.

As we look to the future, we are confident that Ooredoo Kuwait Group will continue to deliver enduring value to our shareholders. With a clear strategy, experienced leadership, and advanced networks that set the benchmark for customer experience and innovation, we are well-positioned to achieve even greater milestones in the coming months and years. Together, we will continue to drive Kuwait’s digital transformation, contributing to the prosperity and cultural enrichment of the nation.

**Sheikh Nasser Bin Hamad  
Bin Nasser Al Thani**  
Chairman

# BOARD OF DIRECTORS



**Sheikh Nasser Bin Hamad  
Bin Nasser Al Thani**  
Chairman



**Dr. Hamad Yahia Al-Nuaimi**  
Vice Chairman



**Mr. Hilal Al Khulaifi**  
Board Member



**Mr. Nael Abdulla Al-Awadi**  
Board Member



**Dr. Yousuf Mubrak Al-Sellili**  
Board Member



**Mr. Nasser Issa Al Hitmi**  
Board Member



**Mr. Hassan Ismail Al Emadi**  
Board Member

# CEO'S MESSAGE



**“At Ooredoo Kuwait, we are redefining the future of telecommunications by embracing innovation, empowering talents, and delivering unparalleled customer experiences. Our achievements reflect our commitment to transitioning from Telco to Tech-co, optimizing efficiencies, leading with sustainability, and driving progress for Kuwait.”**

**Abdulaziz Al-Babtain**  
Chief Executive Officer

## Dear Shareholders,

The year 2024 marked another period of robust growth and achievement for Ooredoo Kuwait as we continued to execute our strategic initiatives with diligence and precision. Our unwavering focus on technological innovation, enhancing customer experience, and optimizing operations has generated substantial value for our stakeholders, partners, and customers alike.

### Financial Performance

Ooredoo Kuwait delivered a strong performance in 2024, demonstrating solid growth in service revenue and a healthy EBITDA, coupled with significant advancements in technology and customer experience. The company recorded a prominent growth reaching KWD199 million in service revenue.. This growth underscores our commitment to sustainable financial performance and operational excellence.

### Technological Advancements

As part of our mission to be a leading telecom and digital infrastructure provider, we achieved significant milestones in technology deployment. Our continued investments in 5G expansion, network modernization, and digital transformation have strengthened our position in the market, enabling us to deliver superior connectivity and innovative solutions to our customers.

### Industry Recognition and Awards

Our commitment to excellence has been recognized through several prestigious accolades in 2024, including:

- **Excellence in Digital Services** – SAMENA Lead Awards
- **Mobile Operator of the Year & Telecom Company of the Year** – Asian Telecom Awards
- **Awards In Technology Excellence** – Stevie Awards 2024
- **Best in Customer Experience** – IDC Future Enterprise Awards 2024
- **Telecom Company of the Year & Most Innovative Digital Upgrade** – International Business Magazine Awards

### Customer-Centric Approach

Customer experience remains a top priority, and in 2024, we made substantial strides in enhancing our service offerings. By integrating AI-driven solutions, expanding our digital service portfolio, and improving customer touchpoints, we have elevated the overall experience

for our subscribers. Our focus on personalization, seamless connectivity, and customer engagement has strengthened brand loyalty and satisfaction.

### Operational Excellence and Sustainability

Efficient operations and sustainability are key pillars of our strategy. In 2024, we reinforced our commitment to environmental, social, and governance (ESG) principles by implementing initiatives aimed at reducing our carbon footprint, enhancing energy efficiency, and fostering digital inclusion. These efforts align with our long-term vision of responsible growth and corporate responsibility.

### Future Outlook

As we continue our development journey, we are working on strategic projects aimed at establishing Ooredoo Kuwait as a leading provider of integrated digital solutions. We will continue to invest in advancing and enabling digital transformation across various sectors to strengthen Kuwait's position as a regional digital hub, in line with the 'New Kuwait' 2035 vision.

We are also designing innovative services that meet the needs of our customers and the state, supporting their digital lifestyles, enhancing our ability to deliver added value to shareholders, and solidifying our position as a trusted digital partner.

Thank you for your continued trust and support.

**Abdulaziz Al-Babtain**  
Chief Executive Officer

Expanding  
our  
business

# BUSINESS REVIEW

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



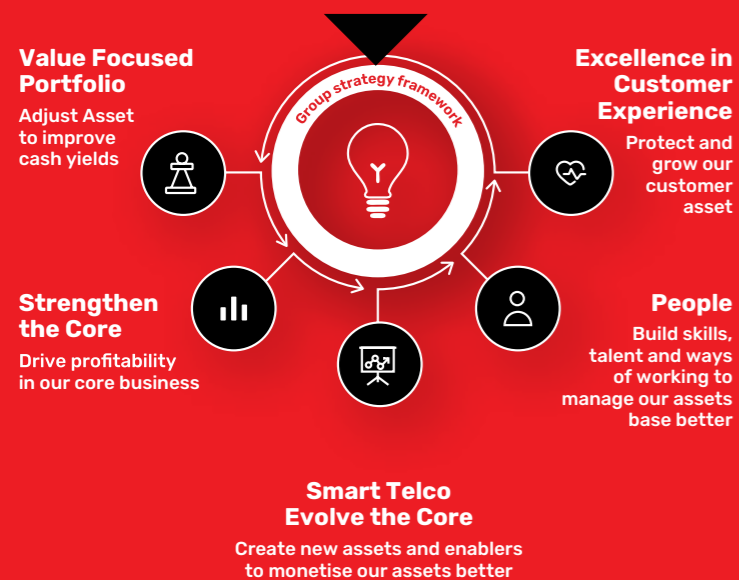
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# OUR STRATEGY

## BECOMING MENA'S LEADING DIGITAL INFRASTRUCTURE PROVIDER

Our evolved strategy focuses on 5 key strategic pillars:



Our ambition is bold: to become MENA's leading digital infrastructure provider, powering next-generation connectivity, AI services, and fintech solutions at scale.

We are strategically repositioning Ooredoo as a telecom and infrastructure powerhouse, with a clear focus on five core verticals: telco operations, towers, data centres, subsea cables, and fintech. At the core, we are rapidly innovating – upgrading the customer experience, deploying advanced data science, and optimising network operations to deliver further growth and efficiency. Meanwhile, through our value-focused portfolio, we are capitalising on high-GDP, fast-growing markets, reinforcing our competitive edge.

### Value-Focused Portfolio

Ooredoo is transforming into MENA's leading digital infrastructure provider, backed by disciplined execution, strategic investments, and game-changing partnerships.

Our streamlined portfolio allows us to focus capital on high value, high-growth areas that drive financial performance and long-term sustainability.

Key moves in 2024 include:

- **MENA Digital Hub:** Our carrier-neutral data centre company, backed by QR 2 billion in financing, is expanding to 120+ megawatts to meet surging demand for AI, cloud, and hyperconnectivity.
- **Fintech Expansion:** Already a market leader in Qatar and the Maldives, we are scaling in Oman (walleii), Iraq, Kuwait, and Tunisia to serve untapped markets.
- **MENA Tower Group:** Progressing toward the 2026 completion of the region's largest tower venture with Zain Group and TASC Towers.
- **Subsea Cable Leadership:** Deploying the region's largest submarine cable systems to strengthen regional and global hyperconnectivity.
- **Ooredoo Myanmar Exit:** Refocusing on markets where we can sustain #1 or #2 leadership positions.

### Our strategy is delivering results:

- **AI Leadership:** NVIDIA Cloud Partner in MENA.
- **Industry Outperformance:** While global telcos saw - 1.4% CAGR (2020-2024), Ooredoo delivered +2.9% CAGR, ranking among the top 10 global telcos in total shareholder returns since 2021.
- **Financial Growth:** EBITDA up +18.1% since 2020, Return on Equity (ROE) more than doubled to 11.8%, and Return on Invested Capital (ROIC) tripled to 7.6%.

With network traffic doubling every 18 months, we are heavily investing in data centres, subsea cables, and GPU-as-a-Service to capture the immense opportunities of the digital era. Our strategy ensures Ooredoo remains a high-performance, futureready enterprise, driving innovation, connectivity, and shareholder value.

### Strengthen the Core

Our core operations continue to optimise their efficiency and effectiveness.

These efforts are delivering tangible results on a like-for-like basis:

- QR 3 billion in additional Group revenue since 2020, driving 15% overall revenue growth.
- Higher gross margins as a growing proportion of top-ups shift to digital platforms thanks to significant upgrades in digital touchpoints. Key initiatives include:
  - Optimising cost structures: Enhancing operational efficiency.
  - Modernising networks: Phasing out 3G while adopting AI-enabled processes.
  - Leveraging data science, AI, and big data architecture: Investing in advanced analytics for better customer insights, and operational efficiency. In 2024, we implemented 100+ new data science & AI models, enabling:
    - Hyper-personalised offers.
    - Higher retention and upselling, driving stronger customer lifetime value.

We are future proofing operations with innovation, market expansion, and enhanced engagement:

- **Revenue Growth:** Leveraging advanced analytics for B2C pricing and a multi-product approach for B2B, particularly targeting SMBs.
- **Digital Transformation:** Scaling digital sales, boosting engagement by 30%, and driving AI-powered service efficiencies.
- **Cost Optimisation:** Containing network and IT costs through managed services, workforce optimisation, and AI automation.

Our 'OneOoredoo' programme is further streamlining ERP and business processes to reinforce operational synergies.

### Evolving the Core

As the telecom industry evolves, Ooredoo is seizing new revenue opportunities and driving efficiencies through innovation and strategic partnerships. This approach has fuelled a 70% increase in digital

service revenues since 2020.

- **Data and Analytics:** Leveraging customer insights to upgrade experiences and drive growth opportunities through upselling and cross-selling.
- **Digital Partnerships:** Expanding AI, entertainment, and security collaborations, with API integration contributing to 20%+ of free cash flow.
- **New Ventures:** Launching multi-play and entertainment marketplaces to boost ARPU, retention, and revenue.
- **As-a-Service:** Introducing connectivity-driven solutions for enterprises, governments, and SMBs. These efforts illustrate how we are adapting our business model to capture emerging opportunities and position Ooredoo as a leader in the digital economy.

### People

Our strategy centres on empowering our people because engaged, skilled employees drive exceptional customer experiences, loyalty, and growth. Our People strategy focuses on:

- **Talent development:** Inspiring growth journeys and equipping employees with necessary tools and skills.
  - **Employee experience:** fostering engagement and high performance.
  - **Strategic Workforce Planning:** aligning talent with business needs. In 2024, we:
    - Achieved a sustainable employee engagement score of 87, surpassing the global telco benchmark.
    - Introduced a revamped Employee Value Proposition (EVP) to strengthen our "employer of choice" brand, launching "Inspiring Growth Journeys".
    - **Advanced Strategic Workforce Planning** with quarterly revisions AI-driven recruitment.
    - Fully matured the Ooredoo Learning Academy (OLA) 1.0 with AI-powered personalised course recommendations and automated learning dashboards.
    - Enhanced our Total Rewards framework.
    - Embedded cost efficiency models and benchmarks in our operations, driving OpEx efficiency and ROI-based HR decisions.
- Moving forward, we will continue to attract and retain top talent, building a skills-driven organisation with a culture of growth and innovation.

### Excellence in Customer Experience

We are minimising customer effort by improving digital touchpoints and eliminating friction. Our advanced feedback systems enable us to continuously listen to the 'voice of the

customer' and act on insights to improve service delivery.

Ooredoo, a top 50 global telecom brand, leverages its strong brand equity to drive customer acquisition and retention. Our disruptive and engaging marketing campaigns enhance personalised engagement, strengthen brand trust, and improve cost efficiency.

This approach is delivering results:

- Customer satisfaction has grown from 60% to 76% since the start of 2023.
  - Superior customer experiences have strengthened loyalty, reduced acquisition costs, and boosted ARPU.
- To further upgrade customer experience, we are deploying advanced technology, process improvements, and AI-driven support tools to empower front-end agents, driving satisfaction, retention and lifetime value.

### Looking Ahead

Over the past four years, we have executed our strategy with discipline, delivering profitable growth and substantially improved financial metrics. Now, we are accelerating our momentum with a future-focused strategy designed to drive sustainable growth and market leadership.

### Key focus areas:

- **Strengthening Foundations:** Optimising cost structures and ensuring access to clean, governed data for AI-driven monetisation.
  - **Scaling Infrastructure:** Expanding data centres, subsea cables, and GPU-as-a-Service to meet surging digital demand.
  - **Expanding Revenue Streams:** Using data science, AI and multiproduct strategies to grow B2C and B2B, particularly in underserved SMB markets.
  - **Exploring New Markets:** Scaling fintech and connectivity-driven as-a-service solutions across MENA and beyond. Our vision is to lead MENA's digital infrastructure, delivering cuttingedge technology and reliable services to businesses and consumers. With advanced analytics, API capabilities, and robust infrastructure, we are positioned as the region's go-to digital partner.
- Our strategy focuses on scalable, secure solutions while expanding infrastructure and digital access to meet evolving customer needs. By staying agile and innovative, Ooredoo can capture new opportunities, navigate industry shifts, and drive long-term shareholder value – empowering a smarter, more connected future.

# KUWAIT



**Abdulaziz Al-Babtain**

Chief Executive Officer, Ooredoo Kuwait

“At Ooredoo Kuwait, we are redefining the future of telecommunications by embracing innovation, empowering talent, and delivering unparalleled customer experiences. Our achievements reflect our commitment to transitioning from Telco to Techco, optimising efficiencies, leading with sustainability, and driving progress for Kuwait.”

## Customers in thousands

**2,898**

2024 2,898

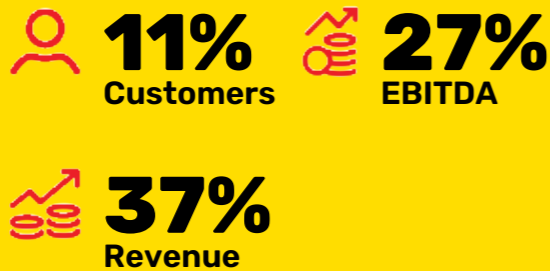
2023 2,847

2022 2,708

2021 2,518

2020 2,531

## Operator importance to Group



## Financial performance

	2020	2021	2022	2023	2024
Revenue KD millions	209.8	210.5	236.3	246.0	<b>264.0</b>
EBITDA KD millions	52.0	61.1	71.5	82.0	<b>70.7</b>
EBITDA margin	25%	29%	30%	33%	<b>27%</b>
Employees	1,363	1,230	1,423	1,349	<b>1,360</b>



## Awards

- Best in Customer Experience 2024 at IDC Future Enterprise EMEA Awards
- Award for Excellence in Digital Services Innovation at SAMENA Council LEAD 2024
- Mobile Operator of the Year – Kuwait and Telecom Company of the Year at the Asian Telecom Awards

## Overview

Ooredoo Kuwait delivered a strong performance in 2024, achieving solid growth in service revenue and healthy EBITDA, alongside significant advancements in technology and customer experience. The company recorded a 4.5% growth in service revenue, reaching KD 199 million while EBITDA decreased by 14%, totalling KD 71 million. This decrease is mainly attributable to one-off bad debt provisions of approximately KD 11 million, raised in line with standard Company policy. Normalising for the one-off bad debt provisions, EBITDA stood at KD 82 million.

Technological innovation continued to be a major focus in 2024. Ooredoo Kuwait made significant strides in 5G technology, successfully deploying 5G standalone and Internet of Things (IoT) capabilities, as well as launching Narrowband-IoT technology to enhance connectivity for smart industries. Ooredoo Kuwait was the first telecom operator in the country to integrate Narrowband into its network, setting new standards for connectivity and innovation. The company also focused on sustainability, introducing solar hybrid solutions at several sites and optimising data centre efficiency to reduce operational costs.



In the consumer segment, Ooredoo Kuwait saw its customer base expand by 2%, driven by increased connectivity, excellent customer service, and tailored product offerings. The company launched several key initiatives aimed at improving the customer experience, including the introduction of 5G and Fiber-based 'Home Internet' solutions, the ProPing service designed specifically for gamers, and AI-driven customer acquisition campaigns. Ooredoo Kuwait partnered with Alshaya Group to launch Aura Mobile, which has revolutionised how customers experience mobile connectivity and retail rewards.

Furthermore, the company achieved a significant milestone with the launch of the award-winning Ooredoo Mobile App, along with collaborations with Tabby and the National Bank of Kuwait to provide enhanced payment solutions.

Ooredoo Kuwait continually enhanced customer experience, via retail and digital platforms. The company empowered employees to deliver effective complaint resolution, streamlined processes, and sought regular customer feedback. These initiatives contributed to Ooredoo Kuwait's leadership in customer satisfaction, being awarded Best in Customer Experience at the 2024 IDC Future Enterprise EMEA Awards.

Ooredoo Kuwait continued to innovate with new offerings in the B2B space, providing businesses with cutting-edge solutions tailored to their needs. Notable achievements included securing a KD 1.2 million contract with Kuwait National Petroleum Company, deploying Wi-Fi 7 technology at Gulf Cup stadiums, and forming strategic partnerships with global leaders such as Huawei, Avaya, and AWS to expand the company's portfolio and enhance its ICT capabilities. Additionally, Ooredoo Kuwait's focus on cybersecurity resulted in the development and roll-out of advanced security solutions for SMEs.

On the employee front, Ooredoo Kuwait maintained its focus on developing local talent and creating a positive workplace culture. The company achieved a remarkable 95% localisation of executive roles and invested in various programs to support employee well-being and professional growth. Initiatives such as flexible working hours, remote work options, and global training opportunities with prestigious institutions, including Harvard University and the Kuwait Foundation for the Advancement of Sciences, helped to cultivate a dynamic and engaged workforce. Moreover, Ooredoo Kuwait's commitment to women's empowerment and youth development was demonstrated through tailored leadership programs and the "Waed" internship initiative, which bridged the gap between education and industry.

Ooredoo Kuwait's broader contributions to the community were highlighted by several CSR initiatives, including sponsorships of local sports events, educational programs, and partnerships with organisations like the Ministry of Information. The company, alongside other operators, enabled anti spoofing calls, blocking these calls to protect customers. Between February and July 2024, Ooredoo Kuwait blocked around five million of these calls. Further, the company introduced an emergency location service, automatically and securely sending device location information to emergency service operators, to support customers during incidents such as medical emergencies or accidents. These initiatives reflected the company's dedication to supporting national development and fostering social inclusion.



Despite the challenges posed by increasing competition, geopolitical turbulence, and regulatory changes in data privacy and digital security, Ooredoo Kuwait demonstrated remarkable resilience, and its proactive approach enabled it to maintain its market leadership. The company launched a series of initiatives focused on enhancing customer retention and expanding its footprint in key segments. Efforts to upgrade its network, streamline operations, and deliver value-added services helped mitigate the impact of regulatory changes and increased competition. Additionally, Ooredoo Kuwait's continued investment in technology and customer experience was instrumental in maintaining its competitive edge.

Ooredoo Kuwait's 2024 performance reflects its commitment to delivering innovative solutions, enhancing customer experiences, and empowering local talent. As the company continues to adapt to a rapidly changing market, it remains focused on achieving long-term growth, contributing to Kuwait's Vision 2035, and creating value for its customers, employees, and shareholders.

## Outlook

Looking ahead, Ooredoo Kuwait is poised for further growth in 2025. The company's PRISM Strategy, which focuses on five pillars – Preserve, Reform, Innovate, Skill, and Make – will guide its efforts to strengthen its core businesses, drive digital transformation, enhance technological innovation, and create new revenue opportunities. With a strong focus on cloud services, 5G applications, and cybersecurity, Ooredoo Kuwait aims to expand its market share and continue to lead the telecommunications sector in Kuwait.

# TUNISIA



**Mansoor Rashid Al-Khater**

Chief Executive Officer, Ooredoo Tunisia

“In 2024, Ooredoo Tunisia achieved significant milestones, from launching VOLTE to driving digital inclusion across the country. Looking ahead, we are excited to launch 5G, advancing connectivity and shaping a more innovative and connected future for Tunisia.”

## Customers in thousands

**7,033**

2024 **7,033**

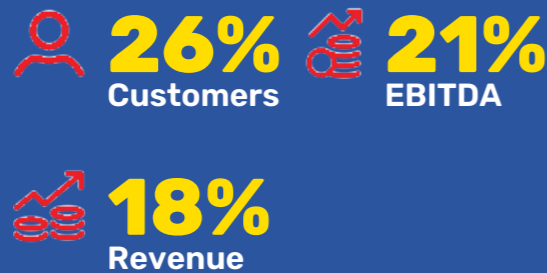
2023 **7,260**

2022 **7,128**

2021 **6,914**

2020 **8,078**

## Operator importance to Group



## Financial performance

	2020	2021	2022	2023	2024
Revenue KD millions	127.7	134.0	123.5	124.1	<b>130.0</b>
EBITDA KD millions	54.7	51.8	54.8	46.9	<b>54.1</b>
EBITDA margin	43%	39%	44%	38%	<b>42%</b>
Employees	1,591	1,437	1,335	1,309	<b>1,252</b>



## Awards

- Best Promising Initiative in the Telecommunications Sector at CSR Power Forum 2024
- Best Customer Service Award five years in a row
- Product of the year award for 4G box

## Overview

Ooredoo Tunisia achieved solid financial and operational growth in 2024, reflecting the company's focus on innovation, customer experience, and operational efficiency.

The company recorded year-on-year service revenue growth of 7%, reflecting solid growth across most service segments. The B2B segment delivered a particularly strong performance, achieving a 30% increase in service revenue on last year, demonstrating the impact of a number of market recovery initiatives and ongoing investment in enterprise solutions and partnerships.

Fixed-line services also delivered a stellar 32% rise in year-on-year revenues, driven by strong demand and the expansion of fibre-optic networks and fixed wireless broadband access (FWBA).

The B2C segment showed resilience, delivering 3% year-on-year service revenue growth, supported by the company's ongoing Customer Value Management (CVM) plan. Ooredoo Tunisia maintained strong financial health overall.



Operational expenditure was reduced by 1.8% year-on-year, largely due to exceptional bad debt items recorded in 2023. EBITDA saw significant growth, improving year-on-year by 15.9%, or 5.7% when excluding exceptional items reported in 2023. The company's EBITDA margin reached an impressive 41.6%, growing by 3.8 percentage points compared to 2023.

Ooredoo Tunisia's subscriber base at the end of November 2024 reached 7 million, a slight decrease of 3.1% compared to the previous year. This decline was primarily due to tighter SIM card registration regulations, which required unidentified SIM cards to be deactivated. However, Ooredoo Tunisia achieved significant growth in the fixed-line sector, with a 24.8% increase in the fixed customer base, driven by new, innovative business offerings. The company consolidated its leadership position in the mobile market, with a market share of 41.5% as of Q3 2024, up from 40.9% in the previous year. Additionally, the company made significant strides in the fixed segment, increasing its market share to 15.4%, from 13.8% in 2023.

A major milestone during the year was the launch of VOLTE (Voice over Long-Term Evolution), which allows voice and messaging services to take place over 4G networks. Further, the company announced the successful arrival of the "Ifriqya" submarine cable, connecting Tunisia to Marseille, marking a crucial step in the country's international connectivity.

In terms of business positioning, Ooredoo Tunisia remains a strong player in the Tunisian telecommunications market. The company is ranked first position in Mobile RMS and Customer Market Share (CMS) and second in Service Revenue Market Share (RMS). In fixed services, Ooredoo Tunisia holds the second position in CMS and third in RMS.

Ooredoo Tunisia made significant efforts to enhance its customer experience in 2024, focusing on customer-centricity and innovation. This included the introduction of the "Best Advisor Award" in contact centres and hosting two Customer Days to emphasise its commitment to building a culture of customer satisfaction. The company also launched a range of new products and services, such as SD-WAN (Software-Defined Wide Area Network) as a service, Wi-Fi as a service, and promotions for fibre-optic networks. In the ICT space, Ooredoo Tunisia introduced WAF (Web Application Firewall), managed EDR (Endpoint Detection and Response), and a new anti-DDoS (Distributed Denial-of Service) package, enhancing the company's offering to B2B customers.

To further enhance customer experience, Ooredoo Tunisia utilised AI-based models, implemented product rationalisation actions, and focused on refining service offerings. Ooredoo Tunisia also made notable investments in employee experience, with well-being initiatives as well as the improvement of the workspace. Ooredoo Tunisia also supported employee engagement through team-building activities, health awareness programmes, and career development and reward initiatives.

Ooredoo Tunisia continued to build its brand presence through strategic sponsorships and partnerships, reinforcing its reputation as a key player in the country's telecommunications sector. The company was involved in major cultural and sporting events, including sponsoring the International Festival of Carthage, the Ooredoo Night Run, the Ooredoo Music Fest, and the Ooredoo Padel Cup. Ooredoo Tunisia also extended its support to renowned football clubs like Club Africain and Étoile Sportive du Sahel.



In line with its commitment to corporate social responsibility (CSR), Ooredoo Tunisia spearheaded several initiatives aimed at improving digital inclusion. In partnership with GIZ and GSMA, Ooredoo Tunisia launched a nationwide campaign to reduce digital illiteracy, reaching out to underserved regions of Tunisia with training courses on mobile internet usage. The company also utilised its digital network to raise awareness on critical issues such as wildfires in collaboration with WWF and child protection with UNICEF.

Tunisia's economic recovery remained a challenge. While inflation eased to 7% in 2024 it continued to strain households with stagnant incomes. In addition, the country saw continued high levels of unemployment, particularly among the youth and graduate population, and the World Bank adjusted down GDP growth forecasted to 1.2% in 2024, from 2.4% announced in April 2024.

Despite these wider economic challenges, Ooredoo Tunisia demonstrated its resilience and ability to deliver growth and customer satisfaction. The company remained steadfastly committed to its long-term strategy, focusing on developing innovative solutions, delivering high quality services, and improving operational efficiencies.

## Outlook

Despite continued challenging economic conditions in Tunisia, including inflation and a modest GDP growth forecast, Ooredoo Tunisia remains optimistic about its future prospects. The company has laid out a comprehensive strategy to continue its growth trajectory in 2025, with a particular focus on expanding its fixed network, rolling out 5G services, and advancing digital transformation. Ooredoo Tunisia will also focus on increasing its share of the B2B and ICT markets, ensuring it continues to deliver an exceptional customer experience.

# ALGERIA

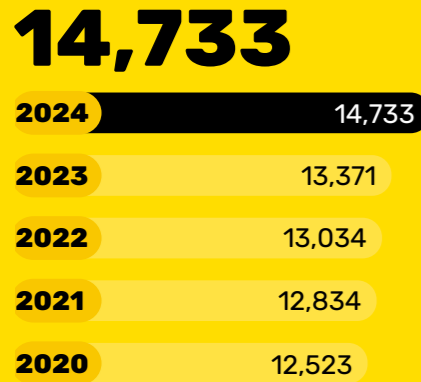


**Roni Tohme**

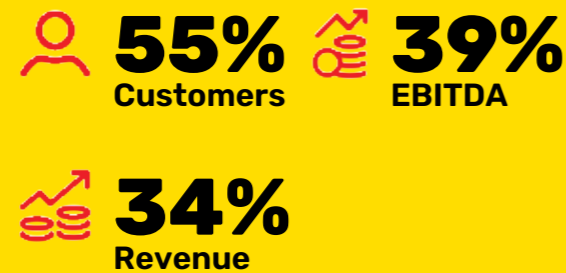
Chief Executive Officer, Ooredoo Algeria

**“Ooredoo Algeria takes pride in its status as a responsible corporate citizen. Looking ahead, we are poised to strengthen our connection with Algerians, driven by strong financial results, double-digit growth, and promising investments.”**

## Customers in thousands



## Operator importance to Group



## Financial performance

	2020	2021	2022	2023	2024
Revenue KD millions	190.0	188.5	186.9	207.9	<b>239.3</b>
EBITDA KD millions	62.6	65.1	66.2	83.7	<b>101.0</b>
EBITDA margin	33%	35%	35%	40%	<b>42%</b>
Employees	2,955	2,694	2,491	2,425	<b>2,384</b>



## Awards

- Bronze winner in Innovative Achievement in Human Resources at Stevie Awards
- Responsible Mobile Operator Award by Sustainable Economy Forum

## Overview

Ooredoo Algeria experienced remarkable growth in 2024, driven by strong performance in data and digital revenue streams, and continued investments in network expansion and digitalisation. Revenue reached 104.6 billion DZD, marking a 14% increase compared to the previous year. EBITDA grew by 19% year-on-year to 44.2 billion DZD, with the EBITDA margin expanding by 2 percentage points to 42%. The company's customer base grew to 14.7 million subscribers, representing growth of 10%, supported by efforts to enhance network coverage and improve overall customer experience.

The company's growth in 2024 stemmed from its robust market positioning and innovative business strategies. Ooredoo Algeria expanded its network coverage and upgraded sales channels, both direct and indirect, to better serve its growing customer base. By the end of the year, the company strengthened its position in the market, increasing its revenue market share, reflecting consistent progress and sustained growth.



The expansion of population coverage to over 94% across 2G, 3G, and 4G has significantly enhanced network quality and accessibility. Ooredoo Algeria rolled out hundreds of new sites and activated additional 4G layers to further strengthen connectivity. Innovations such as SnapSim, an inhouse-developed sim activation system, reduced SIM activation times from minutes to seconds, while a unified SIM+ arrangement improved distribution and boosted sales. Ooredoo Algeria developed and updated consumer offers, such as the revamped Gold Prepaid Offer and Ramadan promotions, delivering better value and connectivity. The company also launched a consolidated "One App" that merged My Ooredoo and N'YOOZ, featuring gamification, personalised plans, biometric login, e-ticketing, and music-on-demand services.

Digital advancements extended to the deployment of touch-screen kiosks in retail locations and enhancements to social media engagement, highlighted by campaigns with influencers such as Khoubai, which showcased key products and improved connectivity across Algeria. Consequently, Ooredoo Algeria gained 7.0 million gross additions in 2024, marking a 36% increase from 2023.

These efforts were complemented by a focus on enhancing business-to-business product offerings. Tailored solutions, including a revamp of Data Pro and ICT services, were adapted to meet the unique needs of Algerian businesses. Further, the company utilised data analytics to better understand customer needs and preferences, developing personalised and relevant offers. As a result, Ooredoo Algeria's B2B segment has delivered good performance, building a momentum for continued growth.

Ooredoo Algeria also prioritised employee engagement and development. Each employee was given the opportunity to create individual development plans tailored to their career aspirations, supported by mentorship programs, internal mobility opportunities, and a culture of internal promotion. Training initiatives were aligned with future technological shifts, including courses on artificial intelligence, 5G, and cybersecurity. Certification programs celebrated employee achievements, and reward strategies were implemented to recognise top performers, further boosting morale and productivity.

The company demonstrated its commitment to corporate social responsibility through initiatives centred on education, health, environmental sustainability, and charitable activities. Key efforts included partnerships with the National Blood Agency for blood donation drives, Ramadan charity events, and back-to-school campaigns benefiting over 10,000 children. Ooredoo Algeria launched a livestock farm project to support rural women and organised cleanup operations in forests, beaches, and neighbourhoods. Other notable activities included cancer screening sessions for employees, a contribution to the renovation of a centre for orphaned children, and the opening of inclusive education centres for autistic children. These initiatives highlighted the company's dedication to supporting vulnerable populations and fostering sustainable development across Algeria.

Despite significant achievements, Ooredoo Algeria faced challenges in maintaining its leadership position in customer satisfaction amid growing competitive pressures. The company overcame these obstacles by continually refining customer service operations, achieving a 13% improvement in Voice of the Customer scores for complaint management compared to the previous year. Regulatory changes, including amendments to the telecommunications law introducing new technologies and service models, presented further hurdles. Ooredoo adapted by aligning its strategies with these evolving frameworks, ensuring compliance while actively pursuing innovation.



The company received several accolades in 2024, reflecting its commitment to excellence. These included the Bronze Stevie Award for Innovative Achievement in Human Resources and the Responsible Mobile Operator Award presented at the Sustainable Economy Forum in Algiers. These recognitions underscored Ooredoo Algeria's role as a leader in both operational performance and corporate responsibility.

## Outlook

Looking ahead, Ooredoo Algeria remains focused on expanding its network, improving connectivity, and delivering a wide range of products and services to meet the evolving needs of its customers. By continuing to invest in technology, innovation, and customer-centric initiatives, the company is well-positioned to continue to grow revenue and profitability margins, strengthen its market position, and enhance its connection with the Algerian community.

# PALESTINE



**Dr. Samer Fares**

Chief Executive Officer, Ooredoo Palestine

**“As we look to the future, we remain steadfast in our goal of strengthening Ooredoo Palestine’s position. By continuing to innovate, invest in infrastructure, and empower our team, we are confident in our ability to deliver exceptional value to our customers and contribute to the growth and development of Palestine.”**

## Customers in thousands

**1,553**

2024 1,553

2023 1,439

2022 1,410

2021 1,382

2020 1,312

## Operator importance to Group



**6%**

Customers



**5%**

EBITDA



**5%**

Revenue

## Financial performance

	2020	2021	2022	2023	2024
Revenue KD millions	31.2	33.8	35.4	33.5	<b>33.4</b>
EBITDA KD millions	10.5	12.3	13	13.1	<b>12.3</b>
EBITDA margin	34%	36%	37%	39%	<b>37%</b>
Employees	514	520	527	517	<b>516</b>



## Awards

- Global Economics Award for Best Emerging CEO of the Year in the Telecom Sector

## Overview

Ooredoo Palestine demonstrated remarkable resilience and demonstrated adaptability in 2024 despite the challenging operating environment shaped by the ongoing conflict and economic hardship. In a year marked by unprecedented challenges, the company demonstrated unwavering commitment to its customers, employees, and the broader community, reinforcing its role as a critical enabler of connectivity in Palestine.

The company reported significant growth in its customer base, reaching 1.6 million by the end of the year, an 8% increase from 2023. This expansion boosted Ooredoo Palestine’s market share to 34% as of the second quarter of 2024, up from 32.2% in 2023. Ooredoo’s consistent focus on customer-centric strategies, innovative offerings, and operational resilience contributed to Ooredoo Palestine increasing its service revenue by 3% normalising the FX rate impact. Over 2024, the company’s total revenue remained flat at QR 397 million, with net profit stood at QR 43 million.



Ooredoo Palestine operated under the dual pressures of political instability in Gaza and an economic downturn in the West Bank. In Gaza, the escalation of conflict led to significant disruptions in infrastructure and essential services, affecting millions of residents. The company responded swiftly with humanitarian initiatives, offering free integrated bundles, including voice and 2G data, to ensure continuous connectivity. Additionally, Ooredoo Palestine introduced tailored solutions such as subsidised voice, data, and SMS bundles, as well as affordable WhatsApp and Telegram bundles to support communication in areas with limited internet access. In the West Bank, the cancellation of labour permits and reduced government salaries severely impacted purchasing power. Ooredoo Palestine responded with smaller, more affordable bundles and promotional campaigns to align with customer needs during these trying times.

Despite the difficult economic conditions, Ooredoo Palestine identified areas of growth in wholesale operations, which became a key driver of value. The company’s ability to adapt to market dynamics and customer needs allowed it to mitigate the impact of declining purchasing power and increased competition. Innovative business offerings such as ERP systems for enterprises and omni-channel services further strengthened Ooredoo Palestine’s position in the B2B segment, enabling businesses to operate more efficiently in a challenging environment.

The company prioritised enhancing customer experience through investments in digital platforms, network upgrades, and training initiatives. Significant advancements in the Ooredoo mobile app included expanded e-payment options, and the launch of e-SIM capabilities. Additionally, the expansion of the 3G network and continuous network optimisation improved service quality and coverage. Amid the destruction of over 70% of its cell sites in Gaza, Ooredoo Palestine deployed innovative "Cell on Wheel" solutions to enhance coverage across Gaza, ensuring uninterrupted service to affected communities. These initiatives helped solidify Ooredoo Palestine’s position as the leader in customer satisfaction across Palestine.

Ooredoo’s commitment to its employees was evident through extensive support initiatives during the crisis. The company provided essential materials, including food, clothing and shelter; financial aid; and psychological support to employees in Gaza, alongside facilitating temporary offices for displaced staff. In the West Bank, employees contributed to relief efforts for their Gaza colleagues through donation campaigns and blood drives. The company prioritised workforce safety and mental health, maintaining regular communication and adapting to the logistical challenges of operating in conflict zones. To improve operational efficiencies, Ooredoo Palestine migrated its internal systems to cloud-based Microsoft Office 365, enhancing workflows, security, and collaboration across teams.

In addition to its operational resilience, Ooredoo Palestine reinforced its role as a socially responsible corporate through various community initiatives. The company provided emergency relief packages during Ramadan and organised Eid celebrations for children in Gaza, offering moments of joy amid adversity. Ooredoo Palestine partnered with Injaz Palestine to prepare West Bank students for future job opportunities and collaborated with SOS Children’s Village to support displaced children. These efforts underscored Ooredoo’s commitment to fostering hope and resilience in the communities it serves.



Ooredoo Palestine’s achievements in 2024 reflect the strength and determination of its team and its unwavering commitment to its customers and community. As the company continues to navigate the challenges ahead, it remains dedicated to delivering exceptional value and connectivity, ensuring that the people of Palestine remain connected to opportunities and hope for a brighter future.

## Outlook

The economic outlook for 2025 remains uncertain, with the Palestinian economy projected to contract further due to the ongoing conflict and economic pressures. However, Ooredoo Palestine is optimistic about the potential for recovery if reconstruction efforts commence and stability returns. In 2025, Ooredoo Palestine will maintain its focus on operational excellence, customer satisfaction, corporate agility, and community support to protect, grow and build drivers for recovery.

Looking ahead, Ooredoo Palestine remains committed to its strategy of protecting its market share, nurturing its customer base, and driving innovation to support recovery and growth. Plans for 2025 include completing network Recovery sites installation and manufacturing additional "Cell on Wheel" units to address coverage gaps in Gaza. The company will continue to focus on enhancing customer experience, leveraging digital platforms, and offering tailored solutions to meet evolving needs.

# MALDIVES

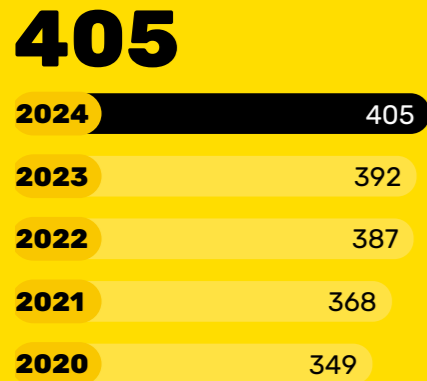


**Khalid Hassan M A Al-Hamadi**

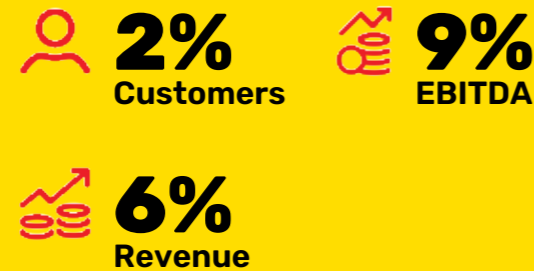
Chief Executive Officer, Ooredoo Maldives

**“Our mission to build a Digital Maldives, powered by AI and innovation, is driven by our commitment to delivering seamless connectivity and fostering progress for communities nationwide.”**

## Customers in thousands



## Operator importance to Group



## Financial performance

	2020	2021	2022	2023	2024
Revenue KD millions	34.3	35.0	38.2	41.8	<b>43.8</b>
EBITDA KD millions	17.0	17.2	20.5	23.5	<b>23.9</b>
EBITDA margin	50%	49%	54%	56%	<b>55%</b>
Employees	366	370	367	380	<b>384</b>



## Awards

- **Best Telco of the Year (Small Markets) at the Twimbit Telecom Awards**
- **Bronze in Innovative Tech Company of the Year at Stevie Awards**
- **Best Place to Work at SAPSAA Awards**

## Overview

Ooredoo Maldives delivered a strong performance in 2024, navigating a competitive and challenging market environment while maintaining its leadership position in the telecommunications sector. The company saw consistent revenue growth of 5%, driven by growth across mobile content data, internet leased lines (ILL) and solutions, and roaming sectors. Mobile and Fixed Broadband sectors, grew by 4% and 9% respectively, showcasing Ooredoo’s ability to adapt and innovate despite external pressures. We delivered impressive year-on-year EBITDA growth of 2%, with the company’s EBITDA margin reaching 55%. Free cash flow increased by 17%, boosted by the impact of initiatives to improve operational efficiency and prudent cost management.



Market conditions in 2024 were shaped by several external challenges, including heightened competition, aggressive pricing strategies from competitors, and macroeconomic factors that affected the wider industry, including Fitch’s downgrading of Maldives from B- to CCC+ and low dollar availability in the banking system. The company’s ability to maintain a competitive edge can be attributed to its continued focus on customer engagement, innovative product offerings, and an expanding portfolio of services that aligned with market demands.

In the Mobile segment, Ooredoo Maldives remained the market leader despite an increasingly saturated market. The company continued to dominate in postpaid offerings, while the prepaid market saw aggressive discounting from competitors. While Ooredoo Maldives faced significant aggressive pricing from rivals, the company strategically moved to enhance digital engagement initiatives, such as the loyalty program “Nojoom”; launching new content bundles, such as Saudi Passport, providing seamless connection to pilgrims during the Hajj period; and gamification offers, to retain and attract customers. During the year Ooredoo Maldives also created strategic partnerships with Mastercard, TikTok, Sony LIV, Lionsgate, JioSaavn and WhatsApp to build attractive customer bundles. The launch of a range of tailored offers within the Mobile segment helped increase customer engagement, even as competition intensified.

A key milestone in 2024 for Ooredoo Maldives was the expansion of its 5G network to cover 60% of the population. This achievement marked Ooredoo as the largest 5G network provider in the country, enabling more communities to access faster internet speeds and enhanced digital experiences. The expansion of 5G coverage played a significant role in improving mobile internet access and helped the company maintain its position as the country’s leader in mobile services. The shift towards 5G is expected to continue driving demand for mobile broadband services and positioning Ooredoo Maldives at the forefront of the country’s digital transformation.

The fixed broadband business was a key focus area for Ooredoo Maldives in 2024. The company made significant strides by expanding its SuperNet Fixed Broadband services to eight new islands, effectively broadening its geographic footprint and addressing the increasing demand for reliable internet across the Maldives.

Ooredoo Maldives continues to advance its vision of becoming a one-stop shop for enterprise customers, launching a range of new services including Office 365, hosted solutions for the hospitality sector (such as contact centers, surveillance services, and managed Wi-Fi), and 5G for resorts. The approach is yielding results, further strengthening Ooredoo Maldives’ presence in the hospitality industry.

Ooredoo Maldives launched the PEACE cable connecting Kulhudhuffushi City to Singapore and Europe, the first international cable outside of Hulhumale in the Maldives. The establishment of the cable is an important step in advancing the Maldives’ rapid digital transformation and will open up skills development and job creation opportunities.

Ooredoo Maldives’ excellence in the market was recognised at the prestigious Twimbit Awards, where the company won the “Small Markets Telco of the Year” in 2024.

Ooredoo Maldives continued to demonstrate a strong commitment to CSR in 2024, focusing on community welfare, environmental sustainability, and digital literacy. The company launched initiatives such as tree planting programs and digital literacy courses for the elderly, and supported health initiatives through donations of essential health kits to healthcare centres. Additionally, Ooredoo Maldives sponsored athletes and organised special iftar events for employees and senior citizens, reinforcing its commitment to making a positive impact on society.



The broader macroeconomic environment in the Maldives in 2024 presented several challenges, particularly with the downgrading of the country’s credit rating by Fitch from B- to CCC+. This downgrade created an atmosphere of uncertainty that impacted overall investment in the economy. Furthermore, the telecommunications sector faced heightened competition, which contributed to pricing pressures and a decrease in mobile average revenue per user. Despite these challenges, the company’s commitment to creatively engaging customers, enhancing connectivity, and delivering cutting-edge technologies saw Ooredoo Maldives maintain its position as a market leader.

## Outlook

Looking ahead, Ooredoo Maldives anticipates an increase in business opportunities, driven by a projected 6.2% growth in GDP in 2025, propelled by an increase in tourism, construction and housing.

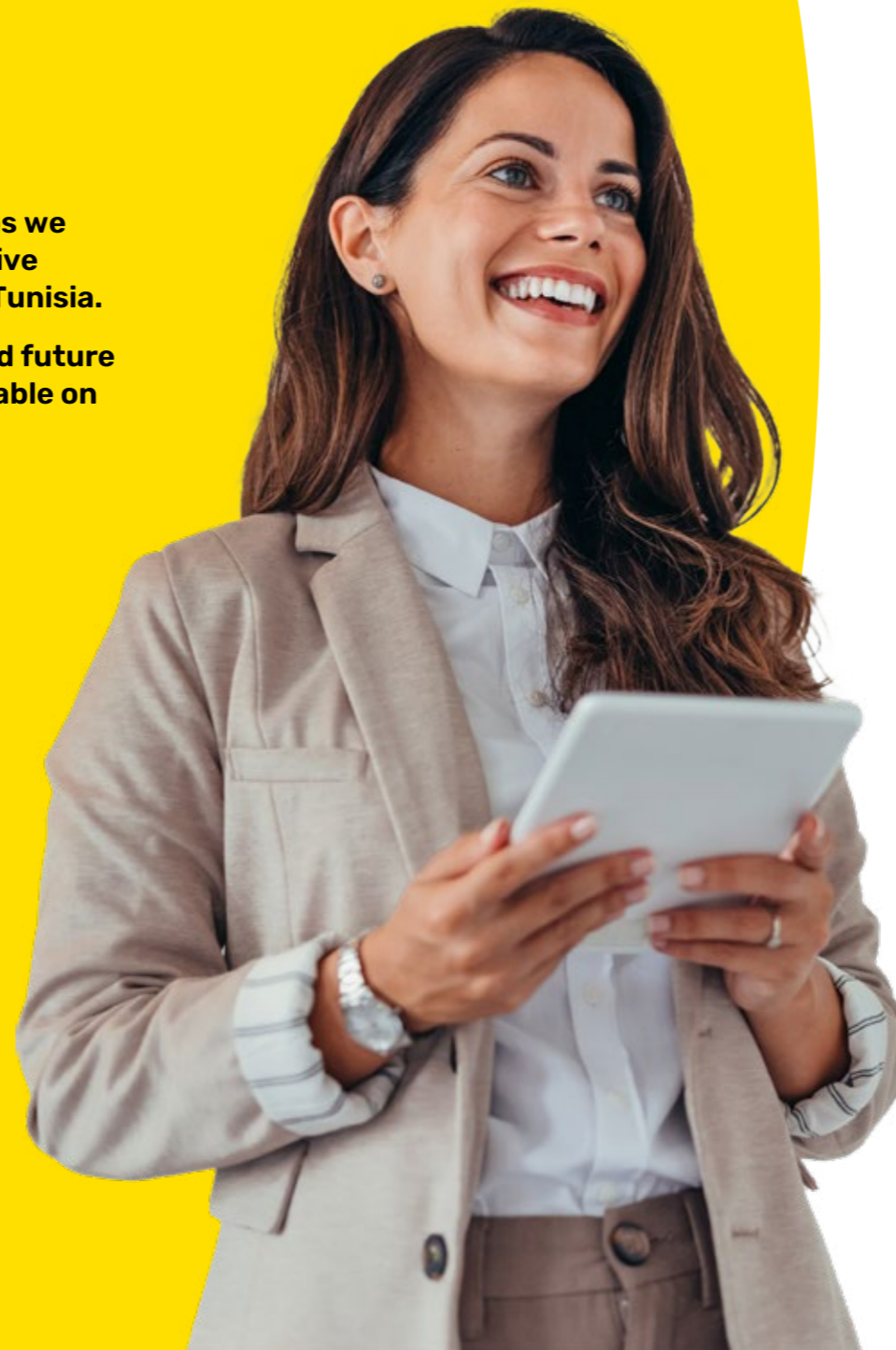
The housing boom in the Greater Malé area, and increasing urbanisation, will result in higher demand for broadband services, especially in 5G and fixed broadband, as well as an increased need for B2B services.

The telecom industry is expected to continue its focus on connectivity enhancement and new technology innovations, including AI and IoT. As new islands are connected to the internet, the fixed broadband sector is projected to experience continued growth. Investments in cloud and data centre solutions will position Ooredoo Business as a leading provider of integrated services, catering to both consumer and business needs.

# 2024 ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) OVERVIEW

Welcome to Ooredoo’s 2024 Environmental, Social, and Governance (ESG) overview, where we share our progress and achievements across the ESG spectrum. This segment highlights key initiatives, milestones, and the steps we are taking to align with global and national sustainability goals across the five markets in which we operate: Kuwait, Algeria, the Maldives, Palestine, and Tunisia.

For a comprehensive view of our sustainability initiatives, performance, and future plans, we invite you to explore our full 2024 ESG Report, which will be available on our website in Q3 2025.



## ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) OVERVIEW

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# ESG AT OOREDOO

As a leading telecommunications provider across five diverse markets, we leverage our technological expertise to drive positive change by empowering communities, protecting the environment, and fostering ethical economic growth. Our approach is guided by international best practices and aligned with global frameworks and national visions in the countries where we operate. This commitment is reflected in our ESG Framework, which serves as a structured guide for addressing our most material ESG topics across the Group, ensuring alignment with our corporate targets.

Our ESG Framework is built upon five key pillars: Protecting Our Environment, Developing Our People, Safeguarding Our Customers, Digital Enrichment & Community Care, and Creating Ethical Economic Opportunity. These pillars provide a cohesive and strategic foundation for integrating sustainability into every aspect of our operations. Together, they define our holistic approach to responsible business practices and long-term impact.

## Our ESG Framework

Ooredoo’s ESG Framework is built on five key pillars designed to drive positive impact while supporting our values, mission, and strategic objectives: Protecting Our Environment, Developing Our People, Safeguarding Our Customers, Digital Enrichment & Community Care, and Creating Ethical Economic Opportunity.

This framework ensures that we balance operational excellence with sustainable growth, fostering a meaningful impact on both people and the planet.

For more details on material topic identification and our ESG Framework, please refer to pages 10 and 11 of the 2023 ESG Report.

## ESG Governance

In 2024, we strengthened our ESG governance by embedding sustainability into key management processes and enhancing oversight mechanisms.

As part of improvements to our governance framework and Board charter, the Nomination and Remuneration Committee was renamed the Remuneration, Nomination, and Sustainability Committee, reflecting Ooredoo’s strong focus on sustainability and corporate social responsibility. This committee now oversees ESG matters, reinforcing our commitment to integrating sustainability into our strategic decision-making.

Ooredoo is also dedicated to regional and global collaboration on sustainability. One of our key partnerships is the Gulf Cooperation Council (GCC) Sustainability Innovation Hub, a joint initiative by leading regional telecommunications operators, including Ooredoo, e&, Beyon, Du, STC, Zain, and Omantel. This collaboration aims to decarbonize the telecommunications industry by developing and implementing renewable energy

solutions, driving sustainable innovation, and advancing the region’s sustainability agenda.

To ensure accountability and transparency in our ESG performance, we published our inaugural stand-alone ESG report last year. Key Performance Indicators (KPIs)—including health and safety training hours for employees, direct and indirect energy consumption, total greenhouse gas (GHG) emissions, customer satisfaction results, community investment values, female employment, and water consumption—underwent an independent audit at the Group level. This audit marked a crucial step in enhancing data accuracy and reliability while helping define Ooredoo’s ESG targets.



# ENVIRONMENTAL, SOCIAL GOVERNANCE (ESG) OVERVIEW

## ESG Governance at the OpCo Level

Our Operating Companies (OpCOs) have made significant progress in integrating ESG practices into their operations. This includes developing ESG policies covering human rights, environmental commitments, and conflict of interest, setting targets, and committing to ESG disclosure through the development of their own ESG reports. To ensure a structured approach to sustainability management, ESG working groups have been established across all OpCOs.

Here are some key initiatives undertaken by different OpCOs:

- **Kuwait:** An ESG working group has been established to ensure a structured approach to sustainability management. Each department has a dedicated Single Point of Contact (SPOC) responsible for ESG-related matters, facilitating communication and data collection. By 2025, ESG metrics will be integrated into executive performance indicators, and employees will continue to receive annual training in technical, behavioral, and digitalization skills.
- **Tunisia:** The Cross-Functional Sustainability Team, composed of employees from various departments, fosters cross-departmental collaboration on sustainability matters. Each department involved in ESG activities designates an SPOC responsible for data collection, variance analysis, and responding to ESG-related requests. This initiative ensures a comprehensive and integrated approach to ESG management across business functions.

Additionally, in 2024, we implemented a sustainability-linked performance initiative to take effect in 2025. Under this initiative, four key Chief Officers—Chief HR, Chief Legal and Corporate Governance, Chief Technology, and Chief Finance—at both the Group and OpCO

levels will have sustainability-linked KPIs tied to performance and compensation. This initiative reinforces accountability and strengthens the commitment to integrating ESG considerations at the executive level.

## 2024 Highlights and Future Outlook Protecting Our Environment

At Ooredoo Kuwait Group, we take a proactive and holistic approach to environmental management. We strive to embed environmental stewardship into our core operations by ensuring robust oversight, strategic alignment with global environmental standards, and continuous performance improvement.

### Energy Efficiency & Sustainability Initiatives

Energy consumption is one of the most significant environmental challenges in the telecommunications industry. To address this, Ooredoo has implemented energy management systems across several OpCos, reinforcing our commitment to reducing greenhouse gas emissions and contributing to climate goals.

### Key Achievements Across Our Markets

#### Ooredoo Algeria

Achieved an impressive %13.4 reduction in energy consumption in 2024 through a comprehensive energy efficiency strategy. This included:

- Launching a state-of-the-art modular data center with significantly improved Power Usage Effectiveness (PUE).
- Modernizing facilities with energy-efficient power and cooling systems.
- Transitioning to LED lighting and optimizing air conditioning with open office designs.
- Introducing automated controls to reduce energy consumption based on occupancy.

#### Ooredoo Tunisia

Continues to drive energy efficiency, reducing energy consumption from 0.13 kWh/GB in 2023 to 0.115 kWh/GB through infrastructure upgrades and efficiency measures, including

- Smart deployment strategies and energy-saving features.
- Using energy-efficient equipment and modernized infrastructure.
- Data center optimization, including clean-ups and space enhancements.
- Replacing 61% of lead-acid batteries in radio sites with lithium alternatives, improving site autonomy and minimizing environmental impact.
- Plans for expanding self-powered sites and developing solar farms.
- The introduction of 5G in 2025, which will further enhance power efficiency.

#### Ooredoo Kuwait

Upgraded its air conditioning systems by installing advanced inverter swing compressors with eco-friendly refrigerants. These cutting-edge technologies:

- Optimize energy efficiency by adjusting the compressor motor speed in real-time to match cooling demand.
- Result in fewer running hours, lower operational costs, and reduced carbon footprint.
- Lower noise levels, improving environmental and workplace conditions.

Through these initiatives, Ooredoo remains committed to minimizing environmental impact, enhancing energy efficiency, and driving sustainability across all our operations.



## Commitment to Energy Management & Waste Reduction

Ooredoo Tunisia is ISO 50001 certified for energy management, underscoring its commitment to efficient and sustainable energy practices.

At Ooredoo, we are equally dedicated to minimizing waste and supporting the transition to a circular economy. While specific initiatives vary across our markets, all OpCos share the Group's commitment to reducing, reusing, and recycling materials—whether through direct waste management initiatives or by leveraging digitalization to minimize reliance on physical resources.

### Key Waste Management & Sustainability Initiatives

#### Ooredoo Kuwait

We partnered with Omniya to combat plastic waste, setting up collection points with a goal to reduce plastic waste by %50 by 2025

- This collaboration was part of the “My School’s Wish 2024-2025” initiative, engaging 100 public schools across all governorates.
- In just six weeks, the initiative successfully collected 185 tonnes of recyclable plastic waste, leading to:
  - A reduction of over 462.5 tonnes of carbon dioxide emissions.
  - Saving 555 cubic meters of landfill space.

#### Ooredoo Maldives

Our Digital Island initiative integrates digital transformation with environmentally friendly practices, supporting both economic growth and sustainability goals.

Through these initiatives, Ooredoo continues to drive environmental responsibility, fostering a more sustainable and resource-efficient future.

# DEVELOPING OUR PEOPLE

At Ooredoo, we recognize that our people are our greatest asset—the foundation for sustainable growth and innovation. Investing in human capital development allows us to nurture talent, enhance organizational resilience, and drive progress across our markets. By fostering an inclusive and supportive workplace culture, we empower employees to thrive and contribute meaningfully to our shared goals.

## Talent Development & Learning

In 2024, we prioritized comprehensive training and development programs to equip our employees with essential skills:

**Ooredoo Palestine**

Achieved a milestone by completing Individual Development Plans (IDPs) for %90 of employees, fostering leadership and technical growth.

**Ooredoo Kuwait**

Delivered 520 learning opportunities, including:

- 317 courses via LinkedIn Learning.
- 203 courses from Google, Microsoft, Huawei, LinkedIn, CIPD, MIT, NVIDIA, HBS, CFI, KFAS, and The Knowledge Club.
- Launched a Coaching & Mentoring Program, with over 150 sessions conducted in 2024.

## Health, Safety & Well-Being

At Ooredoo, the health, safety, and well-being of our employees, contractors, and stakeholders is a top priority. Our Health & Safety Policy outlines measures to prevent workplace injuries, promote a safety-first culture, and ensure compliance with international standards.

We implement rigorous safety protocols, provide ongoing training, and invest in advanced workplace safety technologies.

## Employee Well-Being Initiatives

- Comprehensive healthcare benefits: Including medical, life, and disability insurance.
- Wellness programs & partnerships: Collaborations with healthcare providers, clinics, and gyms to support employee health.
- Preventive care initiatives:
  - Medical testing days.
  - Breast cancer awareness campaigns.
  - Health screenings for early detection.
- Workplace safety resources: First aid resources readily available across all facilities.

By investing in our people, Ooredoo ensures a resilient, engaged, and high-performing workforce, capable of driving sustainable growth across all markets.

## Safeguarding Our Customers

Ooredoo prioritizes the security and satisfaction of its customers by delivering innovative solutions while ensuring their data remains protected. In Kuwait, frontline employees have been empowered to handle customer queries more effectively, leading to improved resolution times and overall satisfaction. This commitment is reinforced by the ISO 27001-certified information security management system, which has been in place since 2017. In Palestine, innovative measures have streamlined support processes, resulting in faster case resolutions.

Beyond safeguarding our customers, we extend our expertise to the broader community, fostering a safer digital environment for all. By sharing our knowledge and resources, we aim to enhance the safety and well-being of community members. In Tunisia, for instance, we partnered with UNICEF to raise awareness

about child online protection, underscoring our commitment to shielding vulnerable segments of society and promoting responsible digital practices.

In Kuwait, we took an innovative approach to educating children about cybersecurity during Safe Internet Day 2024 with the launch of a cyber safety story featuring Cybro, the hero. Through engaging storytelling, Cybro conveys essential internet safety tips, helping children understand key concepts such as creating strong passwords and recognizing suspicious emails. The story also educates young audiences about cyber threats like phishing scams and unsafe websites, equipping them with the knowledge to identify and avoid potential risks.

We remain dedicated to enhancing the customer experience through advanced data protection tools and by refining engagement channels to build lasting trust.

## Best in Customer Experience 2024 at IDC Future Enterprise EMEA Awards.



## Digital Enrichment and Community Care

### Infrastructure and connectivity

At Ooredoo Kuwait Group, we believe in harnessing the power of digital innovation to empower societies and create inclusive opportunities for growth. Our focus is on leveraging technology to drive digital transformation while actively engaging with and supporting the communities we serve.

Ooredoo's commitment to digital enrichment is evident through its transformative technological initiatives across markets. These solutions not only simplify day-to-day tasks but also add value to users and the broader community. For instance, Ooredoo Algeria developed a fully in-house activation and sales solution that streamlines SIM card activation, reduces escalation times, and ensures a seamless digital customer journey.

Meanwhile, in the Maldives, the Digital Island initiative in N. Landhoo highlights our dedication to fostering financial inclusion and digital literacy. Services such as the Ooredoo SuperApp—which integrates traditional telecom services, the m-Faisaa digital wallet, and the Moolee marketplace, enabling customers to shop from local businesses with nationwide delivery—have revolutionized local commerce. As a result, 65% of retail payments are now conducted digitally, marking a significant shift toward a cashless economy.

To ensure the success of the Digital Island initiative, Ooredoo Maldives has actively prepared the community by equipping users with essential digital skills and awareness. Targeted training sessions were conducted for local councils, preschool parents, and community members, covering key aspects of the m-Faisaa digital wallet, including account setup and backend management. Businesses were also onboarded and trained to seamlessly integrate digital transactions into their operations.

Additionally, digital literacy programs were

introduced to drive the adoption of digital platforms, along with cyber safety sessions to help users navigate the online landscape securely. Through these efforts, Ooredoo continues to pave the way for a more connected, financially inclusive, and digitally empowered society.

Amid the ongoing war on Gaza, Ooredoo Palestine has remained committed to maintaining connectivity and supporting affected communities. Despite severe infrastructure and logistical challenges, the company deployed Cells on Wheels (COWs) to restore service in disconnected areas and provided free voice and data bundles to keep people connected. Temporary stores were also set up in displacement areas, and money transfer services were enhanced to facilitate financial support from the West Bank. We also provided essential aid, including food baskets, water supplies, and educational materials, to support affected families.

Ooredoo Tunisia is actively expanding its infrastructure to enhance connectivity and future-proof its network. In 2024, fiber optic deployment continued, adding new fiberized zones to improve service quality and coverage. As part of its 5G readiness strategy, network preparations are underway, with the official rollout planned for early 2025. Ooredoo Kuwait introduced innovative electronic SIM card for worldwide roaming users aim to support travelers from Kuwait, whether they are Ooredoo customers or not. The Roaming E-SIM is designed to enhance connectivity and convenience during their travels.

**After the service expansion in 2024 in the Maldives, 5G services now cover over 60% of the country.**

### Digital inclusion and literacy

Ooredoo Tunisia has launched a nationwide campaign to promote digital inclusion, aiming to bridge the digital divide and ensure that all segments of Tunisian society have access to and benefit from digital technologies. This

initiative focuses on providing resources, training, and support to enhance digital literacy and accessibility, fostering greater social and economic inclusion.

As part of its commitment to education, Ooredoo Tunisia has partnered with UNICEF through the For a Brighter Tomorrow initiative under its Tounes Te3ich CSR program to address early school dropout rates. This collaboration equips students with essential skills to support their academic and professional futures. A key milestone of this initiative is the establishment of a digital teaching laboratory within the Second Chance School in Bab al-Khadra, designed to help adolescents aged 12 to 18 continue their education or transition into vocational training. The lab is set to be inaugurated in 2025, further reinforcing Ooredoo's dedication to empowering youth through education and digital inclusion.

### Community engagement

Beyond digital innovation, Ooredoo takes pride in its commitment to community well-being through impactful initiatives. In Algeria, the "Doctor for All" program, conducted in collaboration with the National Association for Patient Assistance-WINNELKA, provided free medical care to hard-to-reach regions, ensuring access to essential health services. Ooredoo's community initiatives go beyond traditional donations, reflecting our proactive approach to fostering inclusivity and well-being. By engaging directly with local communities and implementing targeted programs, we aim to create lasting, meaningful impacts that empower individuals and enhance societal resilience. In Kuwait, we sponsored a range of initiatives aimed at enhancing Ramadan experience for all. This included sponsoring the "Longest Ramadan Iftar Table" event in Mubarakiyah, in collaboration with Al-Najat Charity, as well as supporting underprivileged segments of society in

partnership with Rahma International Society by distributing iftar meals to those in need across Kuwait. The meals were personally distributed by Ooredoo team members, who also actively volunteered to provide water and dates on daily basis for pasting people in various mosques, demonstrating their commitment to serving the community. In Tunisia, the annual Night Run brought communities together to promote health and fitness, with proceeds supporting the Diar Al Amal organization for orphans. These initiatives exemplify Ooredoo's dual focus on advancing digitalization and fostering community well-being, reaffirming our role as a catalyst for positive change and sustainable development.

**Ooredoo Tunisia won the best promising initiative in the telecommunication sector at the 3<sup>rd</sup> edition of the CSR Power Forum 2024 for the "Tounes T3ish" program reflecting commitment to positive change in Tunisian communities.**

### Creating Ethical Economic Opportunity

At Ooredoo Kuwait Group, we recognize that ethical economic practices are fundamental to sustainable growth. Our commitment to maintaining the highest standards of corporate governance and ethical conduct drives transparency, accountability, and fairness throughout our operations. This approach ensures alignment with national regulations and global best practices, fostering trust among stakeholders and creating a resilient economic framework. The Ooredoo Code of Ethics serves as a cornerstone of this commitment, guiding decision-making and operations across the Group.

Ooredoo Kuwait Group has prioritized the

development and implementation of ESG-related policies tailored to the unique contexts of each OpCo. These policies address critical areas such as human rights, environmental stewardship, non-discrimination, and ethical governance, ensuring alignment with international standards and fostering a robust sustainability framework.

Integrity and fairness are integral to Ooredoo's supplier relationships. All suppliers are held to the Group's Guidelines for Ethical Conduct and Fair Practices, which mandate compliance with anti-corruption laws, adherence to Health, Safety & Environment (HSE) requirements, and prioritization of customer privacy.

Through these initiatives, Ooredoo reinforces its role as a catalyst for ethical economic growth, setting industry benchmarks for governance and sustainability while contributing to a fairer and more transparent global economy.

### Future Outlook

Ooredoo's ESG journey reflects our unwavering commitment to innovation, inclusion, and sustainability. By strengthening our framework and expanding initiatives across our five pillars, we strive to position ourselves as a regional leader in sustainable telecommunications. Our ongoing efforts not only create value for stakeholders but also address pressing global challenges, ensuring a future where progress and responsibility go hand in hand.

*"Our journey is just beginning, but with a clear focus on innovation, sustainability, and positive impact, we are excited about the future of digital transformation in the context of ESG."*

Abdulaziz Al-Babtain - Chief Executive Officer

Expanding  
our  
business

# CORPORATE GOVERNANCE REPORT

Upholding our values while building trust and transparency.

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## INTRODUCTION

The National Mobile Telecommunications Company K.S.C.P. (OORED00) is a Kuwaiti joint-stock company listed on the Kuwait Stock Exchange.

It was established by Amiri Decree No. 216/97 in accordance with its Articles of Association and the provisions of Commercial Companies Law No. (15) of 2016.

Date of Establishment: October 12<sup>th</sup>, 1997

Date of Listing: July 17<sup>th</sup>, 1999

Main Activity: Providing mobile telecommunications and broadband internet services.

Capital Information: Authorized and Paid-up Capital: 50,403,276 Kuwaiti Dinars.

## COMPANY OBJECTIVES:

- Providing mobile phone services, paging systems, and related telecommunications services within the State of Kuwait.
- Investing the company's financial surpluses through specialized investment portfolios managed by professional entities.

## CORPORATE GOVERNANCE:

On June 27<sup>th</sup>, 2013, the Kuwait Capital Markets Authority issued Resolution No. 5 of 2013, establishing governance rules for companies under its supervision. The resolution aims to enhance corporate management and development, ensuring fairness for all partners, shareholders, and stakeholders.

To ensure the effective implementation of governance rules and the accurate preparation of reports required by the Authority, ministries, and official departments in the State of Kuwait, Ooredoo has appointed independent external auditors approved by the relevant regulatory authorities. These auditors conduct audits in accordance with the highest and most precise standards.

One of the fundamental pillars of Corporate Governance is the implementation of the eleven principles outlined in Kuwait's governance law. They include:



<b>FIRST PRINCIPLE:</b>	<b>Building a balanced structure for the Board of Directors.</b>
<b>SECOND PRINCIPLE:</b>	<b>Clearly defining roles and responsibilities.</b>
<b>THIRD PRINCIPLE:</b>	<b>Selecting competent individuals to be members for the Board of Directors and Executive Management.</b>
<b>FOURTH PRINCIPLE:</b>	<b>Ensuring the integrity of financial reports.</b>
<b>FIFTH PRINCIPLE:</b>	<b>Establishing effective risk management and internal control systems.</b>
<b>SIXTH PRINCIPLE:</b>	<b>Promoting professional conduct and ethical values.</b>
<b>SEVENTH PRINCIPLE:</b>	<b>Ensuring accurate, timely disclosure and transparency.</b>
<b>EIGHTH PRINCIPLE:</b>	<b>Protecting shareholders' rights.</b>
<b>NINTH PRINCIPLE:</b>	<b>Recognizing the role of stakeholders.</b>
<b>TENTH PRINCIPLE:</b>	<b>Enhancing and continuously improving performance.</b>
<b>ELEVENTH PRINCIPLE:</b>	<b>Emphasizing the importance of social responsibility.</b>

Governance plays a crucial role in adopting and implementing these regulations, leveraging its knowledge and expertise to effectively communicate with the Board of Directors and committees, and to guide departments in accordance with the directives and laws issued by the Capital Markets Authority.

At Ooredoo, we believe that adhering to the highest standards is fundamental to ensuring the integrity of our performance and achieving sustainable growth. This report aims to transparently document the laws and decisions applied within the company, in line with the requirements of the Capital Markets Authority.

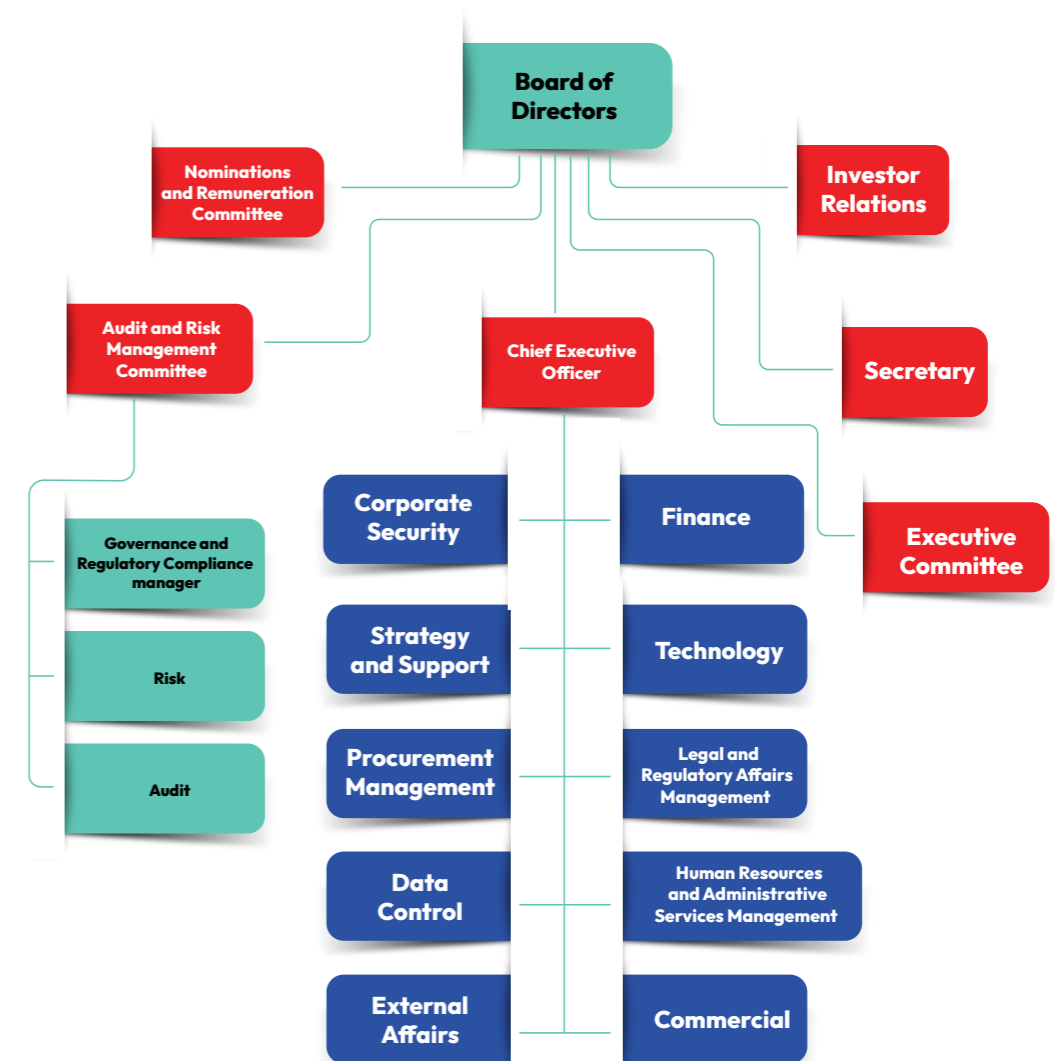
**FIRST PRINCIPLE: BUILDING A BALANCED STRUCTURE FOR THE BOARD OF DIRECTORS**

The Board of Directors plays a pivotal role in steering the company to safeguard shareholders' interests and achieve a harmonious balance between these interests and the company's operational objectives. This is accomplished through effective guidance that assesses and manages risks appropriately.

Endowed with full authority to manage the company, the Board is responsible for setting policies, providing insights on strategic matters, and developing plans and procedures that contribute to achieving the company's objectives. It also ensures the application of rules and laws to preserve the rights of the company and shareholders in the event of any conflict of interest, oversees the development and application of the company's governance rules, and monitors the compliance of the executive management.

At Ooredoo, we uphold the highest standards of corporate governance in accordance with the directives of the Capital Markets Authority. We continuously monitor the latest developments and recommendations in this field to ensure the correct and sound implementation of these standards, aligning with the Authority's conditions and the required standards.

**ORGANIZATIONAL STRUCTURE OF THE BOARD OF DIRECTORS**



The Board of Directors is composed of seven members, who are elected by secret ballot during the General Assembly meeting of the company's shareholders. The Chairman and Vice-Chairman are then selected by the Board members, in accordance with Article (183) of the Companies Law and Article (16) of the company's Articles of Association, as amended on December 30, 2012.

The members of the Board were re-elected during the General Assembly meeting held on March 9, 2023. The current composition of the Board is presented in the following table:

Name and Position	Classification	Academic Qualification	Professional Experience	Date of Election/Appointment
<b>Mohammed Bin Abdulla Al Thani</b> Chairman	Non-Executive member	Bachelor's degree in Business Administration	More than 20 years in executive and operational leadership	October 27 <sup>th</sup> , 2020
<b>Dr. Hamad Yahya Al Nuaimi</b> Vice Chairman	Non-Executive member	PhD in Business Administration	More than 20 years in executive and operational leadership	October 27 <sup>th</sup> , 2020
<b>Dr. Yousuf Mubrak Al-Sellili</b> Board member	Independent	PhD in Law	More than 20 years in legal and academic work.	October 27 <sup>th</sup> , 2020
<b>Nael Abdulla Al Awadi</b> Board member	Independent	Bachelor's in Business Administration	More than 20 years in corporate management.	October 27 <sup>th</sup> , 2020
<b>Hilal Mohammed Al Khulifi</b> Board member	Non-Executive member	Master's in Law	20 years of experience in legal work in the public and private sectors.	April 17 <sup>th</sup> , 2023
<b>Nasser Issa Al Hitmi</b> Board member	Independent	Bachelor's in Finance from the University of Tampa, USA	More than 10 years of experience in financial management and asset management	July 10 <sup>th</sup> , 2024
<b>Hassan Ismail Al Emadi</b> Board member	Non-Executive member	Master's in Strategic Business Administration from HEC Paris	Over 14 years in business management and product development	July 10 <sup>th</sup> , 2024
<b>Dr. Fatena Abdel Al Ahmed</b> Board secretary	-	PhD in Law	20 years in legal work and corporate governance	October 27 <sup>th</sup> , 2020

It is worth noting that Mr. Abdulla Al-Zaman, representative of Al Khor Holding, submitted his resignation from the Board on July 10, 2024, and the company appointed Mr. Hassan Ismail Al Emadi from Al Dafna Holding as his successor. Mr. Mohammed Sabri Al-Zaidan, representative of Al Wakra East, also submitted his resignation from the Board on July 10, 2024, and the company appointed Mr. Nasser Issa Al Hitmi as his successor.

The company adheres to the principle of separation of roles in accordance with good governance practices. This ensures that the CEO can fully focus on his management responsibilities, while the Chairman of the Board retains a broader, strategic role. Sheikh Mohammed bin Abdullah Al Thani serves as Chairman of the Board of Directors, while Mr. Abdulaziz Al-Babtain holds the position of General Manager and CEO. The separation of powers between executive management and the Board of Directors is clearly outlined in the company's corporate governance manual, along with all relevant policies and charters.

## BOARD OF DIRECTORS MEETINGS IN 2024

The Board of Directors holds periodic meetings, typically every three months, based on a written invitation from the Chairman or, in his absence, his deputy. As a result, the Board convenes at least six times a year. These meetings are conducted either in person or virtually via video communication platforms. The table below outlines the number of meetings and the attendance of each Board member during 2023:



	Name	Meeting No. (248) 06/02/2024	Meeting No. (249) 29/04/2024	Meeting No. (250) 09/06/2024	Meeting No. (251) 21/07/2024	Meeting No. (252) 27/10/2024	Meeting No. (253) 21/11/2024	Meeting No. (254) 10/12/2024	Number of Meetings Attended
1	Sheikh Mohammed bin Abdulla Al Thani	√	√	√	√	√	-	-	5
2	Abdulla Ahmed Al-Zaman	-	√	√	-	-	-	-	2
3	Dr. Hamad Yahya Al Nuaimi	√	√	√	√	√	√	√	7
4	Dr. Yousuf Mubrak Al-Sellili	√	√	√	√	√	√	√	7
5	Mohammed Sabri Al-Zaidan	-	√	√	-	-	-	-	2
6	Nael Abdulla Al Awadi	√	√	√	√	-	√	√	6
7	Hilal Mohammed Al Khulifi	√	√	√	√	√	√	√	7
8	Nasser Issa Al Hitmi	-	-	-	√	√	√	√	4
9	Hassan Ismail Al Emadi	-	-	-	√	√	√	√	4
	Attendance Rate	80%	100%	100%	100%	90%	90%	90%	

## APPLICATION OF REGISTRATION, COORDINATION, AND RECORDING OF BOARD MEETING MINUTES:

The Secretary of the Board of Directors is responsible for the tasks related to registration, coordination, and recording of the minutes of the Board of Directors meetings, and his/her tasks include the following:

1. Preparing the agenda for the Board of Directors and its committee meetings, in coordination with the Chairman of the Board and the CEO.
2. Preparing and arranging Board of Directors meetings and notifying members and other invitees of the date and place of the meeting well in advance.
3. Preparing the Board of Directors meeting booklet in a timely manner, requesting the necessary information from various departments to include in the booklet, and distributing the booklet to Board members on time.
4. Coordinating with the Chairman of the Board during Board meetings regarding the time allocated for discussing agenda items and ensuring that what is agreed upon is recorded.
5. Drafting and preparing the minutes of the Board of Directors and its committee meetings and signing them with the Chairman and all attending members.
6. Maintaining records related to the activities of the Board of Directors.

## DECLARATIONS OF INDEPENDENT BOARD MEMBERS

**وزارة التجارة والصناعة**  
Ministry of Commerce and Industry

**Declaration of Independent Board Member**

I, the undersigned,  
 [ ... **Representative of Al Wakrah East LLC** ... ],  
 Civil ID (or Passport for non-residents) No. [...**00399**...],  
 and nominee for the position of Independent Board Member at  
 [ **National Mobile Telecommunication Company (K.S.C.P.)** ]  
 hereby certify that I meet the following conditions:



- 1) I maintain independence in accordance with Article (3-2), Chapter Three of Book Fifteen (Corporate Governance) of the Executive Bylaws of Law No. (7) of 2010 concerning the establishment of the Capital Markets Authority and the regulation of securities activities and its amendments.
- 2) I possess the qualifications, experience, and technical skills that are relevant and appropriate to the company's business activities.

Name: **Authorized Signatory of Al Wakrah East LLC**  
**Mr. Khalid Al Hamadi**

Date:

**Signature:** خالد الحمادي

## DECLARATIONS OF INDEPENDENT BOARD MEMBERS

**وزارة التجارة والصناعة**  
Ministry of Commerce and Industry

**Declaration of Independent Board Member**

I, the undersigned,  
[ ... **Representative of Al Wakeer East LLC** ... ],  
Civil ID (or Passport for non-residents) No. [...00396...],  
and nominee for the position of Independent Board Member at  
[ **National Mobile Telecommunication Company (K.S.C.P.)** ]  
hereby certify that I meet the following conditions:



- 1) I maintain independence in accordance with Article (3-2), Chapter Three of Book Fifteen (Corporate Governance) of the Executive Bylaws of Law No. (7) of 2010 concerning the establishment of the Capital Markets Authority and the regulation of securities activities and its amendments.
- 2) I possess the qualifications, experience, and technical skills that are relevant and appropriate to the company's business activities.

Name: **Authorized Signatory of Al Wakeer East LLC**  
*Mr. Khalid Al Hamadi*

Date:

Signature: خالد الحمادي

## DECLARATIONS OF INDEPENDENT BOARD MEMBERS

**وزارة التجارة والصناعة**  
Ministry of Commerce and Industry

**Declaration of Independent Board Member**

I, the undersigned,  
[ ... **Representative of O.A.H. Investment LLC** ... ],  
Civil ID (or Passport for non-residents) No. [...00395...],  
and nominee for the position of Independent Board Member at  
[ **National Mobile Telecommunication Company (K.S.C.P.)** ]  
hereby certify that I meet the following conditions:

- 1) I maintain independence in accordance with Article (3-2), Chapter Three of Book Fifteen (Corporate Governance) of the Executive Bylaws of Law No. (7) of 2010 concerning the establishment of the Capital Markets Authority and the regulation of securities activities and its amendments.
- 2) I possess the qualifications, experience, and technical skills that are relevant and appropriate to the company's business activities.

Name: **Authorized Signatory of O.A.H. Investment LLC**  
*Mrs. Mariam Mubarak Al-Nasr*

Date:

Signature: [Handwritten Signature]

## SECOND PRINCIPLE: CLEARLY DEFINING ROLES AND RESPONSIBILITIES

The Board of Directors is responsible for overseeing and guiding the company's strategic direction by reviewing and approving various policies, either directly or through committees established by the Board. This ensures compliance with established standards and minimizes the company's exposure to risks. The Board holds full authority to manage Ooredoo and is committed to protecting shareholders' rights, thereby supporting the achievement of the company's broader objectives.

The Board consists of seven members with extensive practical and leadership expertise, and their membership is for a term of three years, which is renewable.

### POLICY ON THE TASKS, RESPONSIBILITIES, AND DUTIES OF BOARD MEMBERS AND EXECUTIVE MANAGEMENT

The Board of Directors is dedicated to developing comprehensive financial and operational plans and clearly communicating them to shareholders. This fosters their trust and provides a transparent view of future expectations, enabling shareholders to make informed decisions that maximize investment opportunities and minimize potential risks. The Board adheres to all necessary rules and measures to ensure the objectives of the governance system are met, emphasizing transparency, fair treatment, strengthened control and audit processes, reduced conflicts of interest, and enhanced professional behavior. These efforts contribute to the advancement of the company and the realization of its goals.

In this context, the Board of Directors has approved the Governance Manual, along with a set of policies and procedures that define its role, as well as the roles of the Chairman, Vice-Chairman, Board members, and executive management. The Board holds full responsibility for overseeing executive management and its activities, monitoring performance indicators, and ensuring compliance with regulations, laws, and required standards. It also ensures adherence to laws and decisions made by the General Assembly while upholding governance principles, best practices, and work ethics.

The Board has the authority to approve interim and annual financial reports, budgets, and the operations of the company and its subsidiaries. Additionally, the Board is responsible for appointing executive management members, monitoring committee performance, evaluating the adequacy of internal control and audit systems, reviewing major potential risks, and developing a comprehensive risk management manual. The Board also ensures the implementation of effective internal controls.

The supervisory role of the Board is crucial in helping the company make informed decisions and avoid potential risks. This oversight extends beyond Ooredoo to its subsidiaries, which provide detailed monthly performance reports.

A key function of the Board of Directors is to approve the strategic, financial, and policy plans and objectives for the company and its subsidiaries. It also oversees and monitors their performance on a regular basis, including the establishment of performance indicators, organizational structures, and functional frameworks, etc..

## ACHIEVEMENTS OF THE BOARD OF DIRECTORS IN 2024

The Board of Directors is committed to developing and executing the company's strategy, ensuring that it aligns with the goals of the company and its group. This strategy serves as the foundation for the Board's decisions and the work of senior executive management, guiding progress towards the company's vision. Key activities include advancing the joint strategy, making critical decisions, monitoring developments, and approving necessary changes.

In addition to preparing and approving governance policies and rules, the Board has set guidelines for group governance and continually monitors, reviews, and amends governance practices at Ooredoo. These efforts aim to align the company with global corporate governance best practices. In 2024, the Board achieved several significant milestones, as outlined below:

1. Discussing operational developments and approving the company's financial results for interim periods.
2. Updating various policies and regulations to ensure compliance with applicable laws, including the anti-fraud policy, related party transactions policy, whistleblowing policy, corporate governance manual, and human rights and anti-discrimination policies.
3. Developing the company's organizational structure.
4. Recommending the appointment of the auditor and approving the business and financing plan.
5. Approving several contracts for the development of the company's network.

## REQUIREMENTS FOR FORMING SPECIALIZED COMMITTEES WITH INDEPENDENCE

### • Board Committees:

One of the most important key requirement set by the Capital Markets Authority in the executive regulations of the Corporate Governance Book is the establishment of specialized committees derived from the Board of Directors. These committees act as delegates, tasked with handling specific responsibilities and providing in-depth analysis, thereby enhancing the effectiveness of the decision-making process.

### The Board of Directors is supported by the following three main committees:

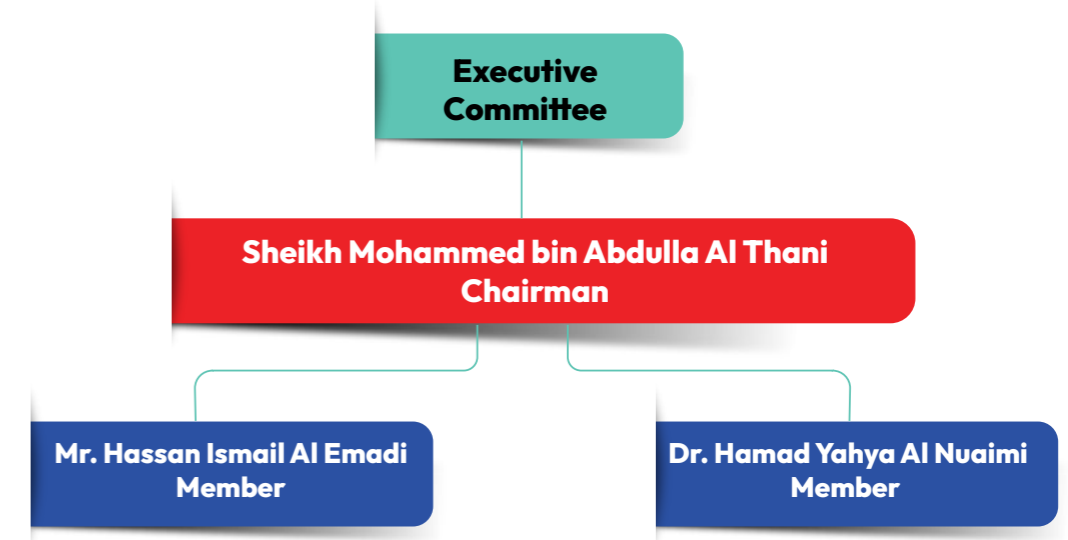
1. Executive Committee
2. Audit and Risk Management Committee
3. Nominations and Remuneration Committee

Each committee of the Board has a written charter approved by the Board of Directors, which outlines its responsibilities, duties, and powers. Each charter has been carefully considered to align with the duties outlined in the Governance Manual, the company's Articles of Association, the Commercial Companies Law, and the Corporate Governance Book in the executive regulations of the Capital Markets Authority.

The primary role of each committee is to facilitate the Board's work in overseeing and monitoring the work of the executive management in the company, and making decisions between Board meetings on matters referred to it. These committees receive regular periodic reports on the progress of work.

Each of the three committees consists of at least three members of the Board of Directors, appointed by a decision of the Board of Directors, considering the expertise and qualifications of each member of the Board participating in the committees. The Board has the right to replace committee members at any time.

## 1. Executive Committee



The Executive Committee was formed in April 2007, and its main tasks include making all operational decisions within its jurisdiction and issuing recommendations to the Board of Directors on operational and strategic matters that exceed its authority. It also monitors the implementation of the company's strategy and investment plans.

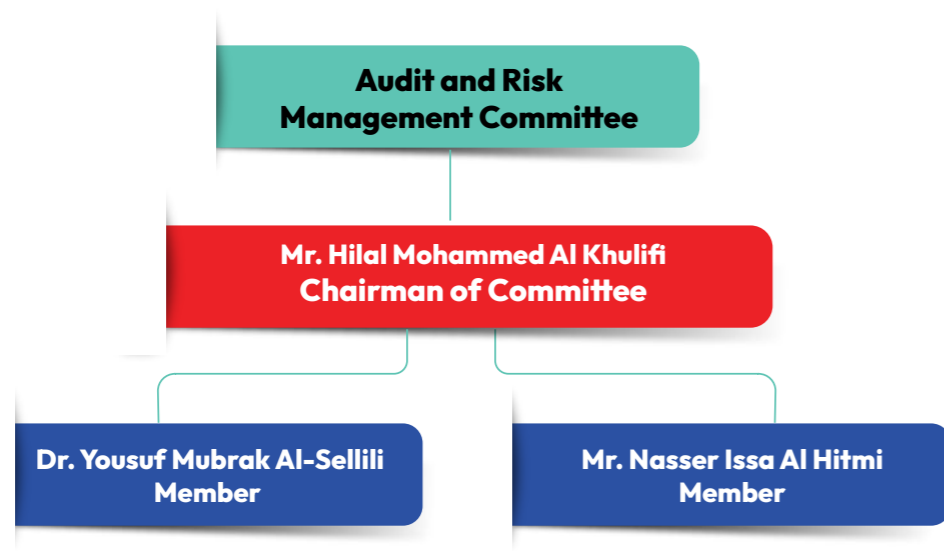
The committee held five meetings in 2024, as shown in the table below:

	Name	Meeting No (1-2024) 06/02/2024	Meeting No. (2-2024) 29/04/2024	Meeting No. (3-2024) 09/06/2024	Meeting No. (4-2024) 21/07/2024	Meeting No. (5-2024) 10/12/2024	Number of Meetings Attended
1	Sheikh Mohammed bin Abdulla Al Thani	√	√	√	√	-	4
2	Dr. Hamad Yahya Al Nuaimi	√	√	√	√	√	5
3	Mohammed Sabri Al Zaidan	√	√	√	-	-	3
4	Hassan Ismail Al Emadi	-	-	-	√	√	2

### Achievements of the Committee:

1. Discussing and approving several operational projects and contracts, including network development agreements.
2. Recommending the distribution of annual profits to shareholders.
3. Recommending the approval of the company's and group's business plans.
4. Reviewing and updating the committee's charter to align with the financial authority matrix and the company's governance manual.

**2- Audit and Risk Management Committee:**



The Audit Committee was formed by the company’s Board of Directors during its meeting number (136) held on 01/04/2007 through decision number (5), in accordance with the company’s Articles of Association and local laws. Based on the Board of Directors’ decision number (9) during its meeting number (193) held on 22/02/2015, the Risk Management Department was added to the committee’s responsibilities, and the committee’s name was thus changed to the "Audit and Risk Management Committee."

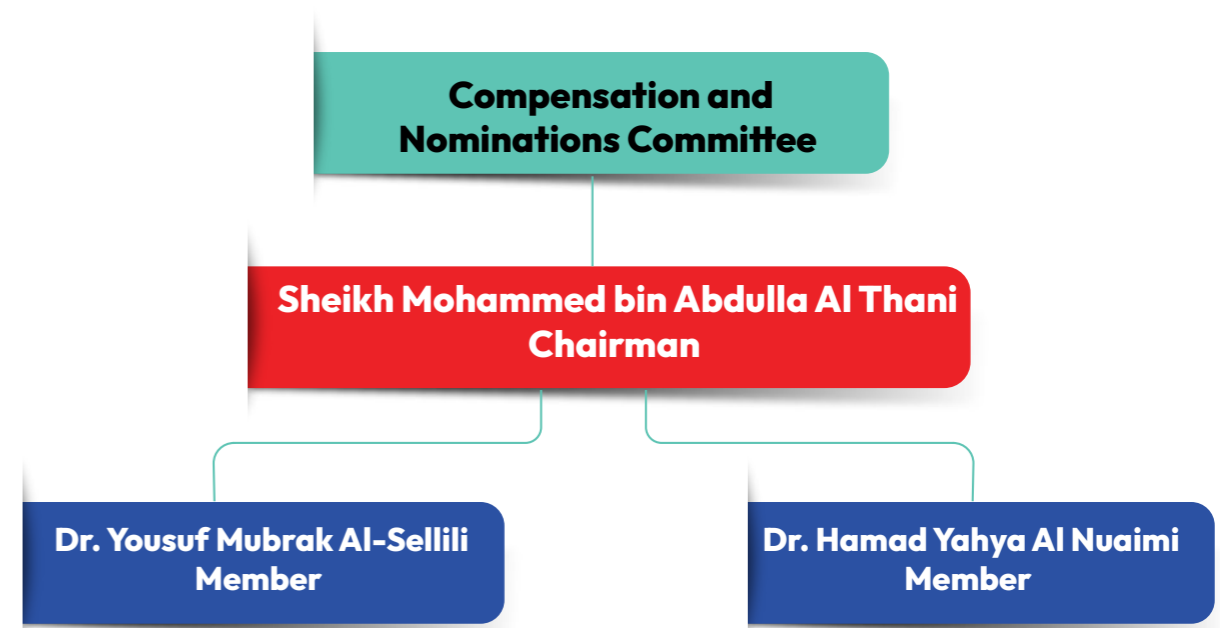
The committee’s responsibilities include overseeing the performance of internal auditing and risk management departments, assisting the Board in carrying out its oversight duties, making recommendations regarding financial policies, and appointing external auditors. In 2024, the committee held five meetings, as shown in the table below:

	Name	Meeting No. (73) 05/02/2024	Meeting No. (74) 28/04/2024	Meeting No. (75) 21/07/2024	Meeting No. (76) 24/10/2024	Meeting No. (77) 09/12/2024	No. of Meetings Attended
1	Hilal Mohammed Al Khulifi	-	-	√	√	√	3
2	Dr. Yousuf Mubrak Al-Sellili	√	√	√	√	√	5
3	Nasser Issa Al-Hitmi	-	-	√	√	√	3

**Committee Achievements:**

- Review of the audited annual financial statements and the company’s quarterly consolidated financial statements.
- Review of internal control systems and the arrangements made for risk management within the company.
- Approval of the 2025 internal audit budget and annual plan.
- Approval of the 2025 risk management budget.
- Review of the quarterly and annual "Risk Management" reports.
- Review of the Risk Appetite.
- Review of the 2024 Risk Management Development Plan (Maturity Plan).
- Approval of performance evaluation criteria for the Head of Internal Audit and the Risk Management Manager for 2024.
- Conducting the annual evaluation of the Head of Internal Audit and Risk Management Manager for 2023.
- Review of the internal audit reports completed during the year, including internal control procedures for financial reports.
- Review of the external evaluation report on the quality of the internal audit department’s performance for 2024.
- Follow-up on the implementation of committee recommendations, the internal audit department, and external auditors.
- Recommendation to the Board of Directors to appoint external auditors for the fiscal year 2024.
- Review of changes related to the internal audit charter.
- Approval of the 2024 internal audit strategic plan.
- Confirmation of the independence and objectivity of the internal audit functions for 2024.

**3. The Compensation and Nominations Committee**



The Compensation and Nominations Committee was formed in September 2014. The committee is responsible for overseeing the company’s employee incentive and compensation plans, appointing and evaluating executive management, and developing policies related to committee employees. It assists the Board of Directors in carrying out its duties and responsibilities regarding the nomination and appointment of executive management and Board members and determining their compensation.

The committee held six meetings in 2024.

	Name	Meeting No (1-2024) 06/02/2024 05/02/2024	Meeting No. (2-2024) 29/04/2024	Meeting No. (3-2024) 09/06/2024	Meeting No. (4-2024) 21/07/2024	Meeting No. (5-2024) 27/10/2024	Meeting No. (6-2024) 08/12/2024	No. of Meetings Attended
1.	Sheikh Mohammed Bin Abdulla Al-Thani	√	√	√	√	-	-	4
2.	Dr. Yousuf Mubrak Al-Sellili	√	√	√	√	√	√	6
3.	Dr. Hamad Yahya Al-Naimi	√	√	√	√	√	√	6

**Committee Achievements:**

1. Setting performance indicators for management and approving the annual bonus for the company's employees.
2. Recommending to the Board of Directors the approval of performance indicators for the company and the annual bonuses for Board members.
3. Establishing an Investor Relations Unit.

**Providing Information for Board Members:**

The Board and Committee Secretariat sends invitations, agendas, and meeting documents well in advance, addressing members' requirements and inquiries as needed. Coordination with the CEO ensures that management provides the necessary information to committee members and reviews the timeliness of document receipt. The information provided is carefully prepared to include all relevant details, enabling Board members to make informed decisions. When possible, draft decisions are also included.

The Board may invite the CEO, CFO, COO, or any other relevant company staff or experts to attend meetings to present data or provide clarifications as requested.



# ABOUT THE MEMBERS OF THE BOARD OF DIRECTORS



## Sheikh Mohammed Bin Abdulla Al-Thani

- Chairman of the Board since 2020
- Academic Qualification: Bachelor's Degree in Business Administration
- Experience: 20 years of leadership and operational experience, having held several positions including General Manager and CEO of the National Mobile Telecommunications Company for five years.



## Hilal Mohammed Al Khulifi

- Board Member since 2023
- Academic Qualification: Master's Degree in Law
- Experience: Over 20 years of experience in leadership roles related to legal affairs in both the public and private sectors.



## Dr. Hamad Yahya Al-Naimi

- Vice Chairman of the Board since 2024
- Academic Qualification: Ph.D. in Business Administration
- Experience: 20 years of leadership and operational experience.



## Nasser Issa Al-Hitmi

- Board Member since 2024
- Academic Qualification: Bachelor's Degree in Financial Sciences from the University of Tampa, USA
- Experience: Over 10 years of experience in financial management and asset management.



## Dr. Yousuf Mubrak Al-Sellili

- Board Member since 2020
- Academic Qualification: Ph.D. in Law
- Experience: Over 20 years of experience in legal and academic work, having held several positions including Head of the Legal Sector at the National Mobile Telecommunications Company for more than five years.



## Hassan Ismail Al Emadi

- Board Member since 2024
- Academic Qualification: Master's Degree in Strategic Business Administration from HEC Paris
- Experience: Over 14 years of experience in business management and product development.



## Nael Abdulla Al Awadi

- Board Member since 2020
- Academic Qualification: Bachelor's Degree in Business Administration
- Experience: Over 20 years of experience in leadership and operational management.

## Dr. Fatena Abdul-Aal Ahmed

- Secretary of the Board of Directors since 2007
- Academic Qualification: Ph.D. in Law from Ain Shams University, Cairo
- Experience: 20 years of experience in corporate governance and administrative legal work, having served as the Director of the Legal Department at the National Mobile Telecommunications Company for over seven years and as the Senior Director of Corporate Governance for 18 years.

## IMPLEMENTATION OF THE REQUIREMENTS FOR FORMING THE NOMINATIONS AND REMUNERATION COMMITTEE

The Nominations and Remuneration Committee is chaired by Sheikh Mohammed bin Abdulla Al-Thani, a non-executive member. As previously mentioned in the second rule, the committee consists of three members, one of whom is an independent member, Dr. Yousuf Mubrak Al-Sellili, in addition to Dr. Hamad Yahya Al-Nuaimi, a non-executive member. The committee is responsible for preparing, reviewing, and developing the remuneration policy periodically, evaluating its effectiveness in achieving the desired objectives. It also facilitates the tasks of the Board of Directors by providing support and recommendations related to the remuneration of board members and executive management.

**Additionally**, the committee reviews and approves performance indicators and evaluation criteria, which are then submitted to the Board for final approval.

## REPORT ON REMUNERATION GRANTED TO BOARD MEMBERS AND EXECUTIVE MANAGEMENT

The remuneration and incentives policy followed by the company, particularly concerning board members and executive management, is overseen by the Board of Directors, which is responsible for approving and implementing it. This policy is an essential part of the company's overall governance framework, as it is closely linked to the company's objectives and overall performance. The Remuneration and Nominations Committee applies this policy and activates its objectives to ensure the desired results are achieved in line with the company's interests and strategies.

### Key Principles of the Remuneration Policy:

- Aligning remuneration with the company's performance and financial results.
- Linking remuneration to specific performance indicators.
- Ensuring transparency and fairness in implementation.
- Attracting and appointing top talent and professionals.
- Maintaining remuneration proportional to employees' qualifications and experience.

This policy adheres to best practices in corporate governance and complies with relevant regulatory requirements. The Nominations and Remuneration Committee oversees the implementation of this policy, ensuring its relevance and effectiveness through annual and periodic reviews as needed.

The total remuneration for the Chairman and Board Members must not exceed 10% of the net profit, after deducting depreciation, reserves, taxes, and interest. Additionally, at least 5% of the capital must be distributed to shareholders, or any higher percentage stipulated in the company's bylaws. These remunerations should be linked to the company's performance to ensure alignment between management and shareholder interests.

Board Member remuneration must be approved by the General Assembly during its annual meeting, based on the recommendation of the Nominations and Remuneration Committee. The committee submits a proposal to the General Assembly, determining Board Members' remuneration based on the company's performance and achieved profits, in accordance with the approved remuneration policy.

For employee financial allocations, the executive management prepares a proposal outlining salary scales and allowances for different job categories, ensuring alignment with market standards and private sector labor laws. This proposal is submitted to the Nominations and Remuneration Committee for review and approval before being presented to the Board of Directors for final approval.

## DETAILS OF REMUNERATION AND BENEFITS FOR BOARD MEMBERS AND EXECUTIVE MANAGEMENT

The following statements are included as follows:

1- Details of the categories and types of remuneration and benefits mentioned, including but not limited to:

Board Members Remuneration and Benefits							
Total Number of Members	Remuneration and Benefits From Parent Co.			Remuneration and Benefits From subsidiaries			
	Fixed Rewards and Benefits (KW)		Variable Rewards and Benefits (KW)	Fixed Rewards and Benefits (KW)		Variable Rewards and Benefits (KW)	
	Health Insurance	Annual Bonus	Bonus Committees	Health Insurance	Total Monthly Salary during the year	Annual Bonus	Bonus Committees
7		538,000					

Total number of executive positions	Remuneration and benefits through the parent company							Remuneration and Benefits From subsidiaries							
	Fixed Rewards and Benefits (KW)							Variable Rewards and Benefits (KW)	Fixed Rewards and Benefits (KW)		Variable Rewards and Benefits (KW)				
	Total Monthly Salary during the year	Health Insurance	Annual tickets	Housing allowance	Transportation allowance	Children's education allowance	Children's education allowance	Annual Bonus	Total Monthly Salary during the year	Health Insurance	Annual tickets	Housing allowance	Transportation allowance	Children's education allowance	Annual Bonus
7	634,431.000	11,760.000	33,487.000	106,205.000	25,900.000	12,000.000		616,843.000							

2- There are no significant deviations from the remuneration policy approved by the Board of Directors or the executive management.

## FOURTH PRINCIPLE: ENSURING THE INTEGRITY OF FINANCIAL REPORTS

### Written Commitments and Oversight

Written commitments are provided by both the executive management and the Board of Directors to ensure the accuracy and integrity of the financial reports. The Internal Audit Department monitors the performance of the executive management and provides advisory services to ensure they fulfill their duties in accordance with approved standards, under the supervision of the Audit and Risk Management Committee.

To enhance transparency and credibility, the department investigates any violations committed by management personnel in accordance with established procedures. The findings of these investigations are then submitted to executive management for appropriate action. Internal audit employees maintain the independence and expertise necessary to perform their duties efficiently and effectively.

In the event of a conflict between the recommendations of the Audit Committee and the Board of Directors' decisions, a detailed statement must be provided explaining the recommendations and the reasons behind the Board's decision not to comply. (There have been no recorded conflicts between the Audit and Risk Management Committee's recommendations and the Board of Directors' decisions.)

### Formation of the Audit and Risk Management Committee

In accordance with Rule Two and the disclosed information regarding the composition of the Audit and Risk Management Committee, the committee consists of three members. The independent member of the committee is Dr. Yousuf Mubrak Al-Sellili, who also serves as a Board member. The committee was initially chaired by Mr. Abdulla Ahmed Al-Zaman, Vice Chairman of the Board, with Mr. Mohammed Sabri Al-Zaidan as the third member.

#### On July 10, 2024, the committee structure was modified:

- Mr. Hilal Mohammed Al Khulifi, a Board member, assumed the role of Chairman.
- Mr. Nasser Issa Al-Hitmi, a Board member, replaced Mr. Mohammed Sabri Al-Zaidan.
- Dr. Yousuf Mubrak Al-Sellili continued as an independent member and Board member.

The committee is responsible for ensuring the integrity and transparency of financial reports, as well as the efficiency and effectiveness of internal control systems. It oversees both the Internal Audit and Risk Management departments, reviewing their policies and strategies. Additionally, the committee supports the Board by assessing the company's risk appetite and recommending structural enhancements to the Risk Management framework to strengthen corporate governance.

#### Ensuring the Independence and Neutrality of the External Auditor

The Audit and Risk Management Committee is responsible for recommending the appointment of an external auditor, with the Board of Directors adopting this recommendation and presenting it to the General Assembly for approval.

At the General Assembly meeting held on March 7, 2024, PricewaterhouseCoopers (PwC) was reappointed as the company's external auditor for the 2024 financial year. To maintain objectivity and independence, the company does not assign any additional tasks to the external auditor that could result in conflicts of interest.

The external auditor is invited to attend all meetings of the Audit and Risk Management Committee, as well as Board meetings where interim financial statements are discussed. Additionally, the auditor is notified in advance of the General Assembly meeting and is required to attend to present the annual audit report to shareholders.

One of the key responsibilities of the external auditor is to ensure the accuracy and reliability of the company's financial reports while adhering to accounting standards and regulatory requirements, in line with the Companies Law and the Capital Markets Authority's regulations.

### ABOUT PRICEWATERHOUSECOOPERS (PWC)

Founded in 1998, PricewaterhouseCoopers (PwC) is a leading global accounting and advisory firm headquartered in London, UK. It is recognized as the second-largest professional services firm worldwide, with a workforce of approximately 295,000 employees across its global offices.

**PwC has achieved several notable accomplishments, including:**

- Winning the "Audit Innovation of the Year" award from International Accounting Bulletin in 2016.
- Receiving the "Best Practices" award from the Institute of Singapore Chartered Accountants in the same year.
- These accolades reflect PwC's commitment to delivering high-quality services while adhering to the highest professional standards and best practices in the accounting and consulting industry.



## FIFTH PRINCIPLE: ESTABLISHING EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

## IMPLEMENTATION OF RISK MANAGEMENT REQUIREMENTS

According to Article 6-3 of the Risk Management responsibilities as per the Capital Markets Authority (CMA) regulations, the Risk Management Department is responsible for implementing the company's approved risk strategy and policy. Its tasks include preparing periodic reports detailing the nature of risks faced by the company, as well as reviewing proposed transactions with related parties. These reports and reviews are submitted to the Audit and Risk Management Committee for approval before being presented to the Board of Directors. The department's employees possess the necessary independence and expertise to effectively safeguard the company's interests and ensure compliance with regulatory standards.

The Risk Committee was merged with the Audit Committee following approval from the CMA, as outlined in the second rule of this report.

## INTERNAL CONTROL AND OVERSIGHT SYSTEMS

The American Institute of Certified Public Accountants (AICPA) defines an internal control system as "a system consisting of organizational programs, methods, and procedures used within an entity to protect its assets, monitor information accuracy, enhance performance, and ensure compliance with regulations."

The company adopts effective internal control and oversight systems to ensure the integrity of financial data, measure, monitor, and mitigate risks, and enforce a periodically updated risk policy in alignment with regulatory requirements. The Risk Management Director and employees operate independently and report directly to the Audit and Risk Management Committee. Additionally, the company appoints an independent external audit firm annually to evaluate internal control systems and submit reports to the CMA in accordance with applicable laws and regulations.

The company's internal control systems cover all activities, departments, and employees, enhancing the accuracy, efficiency, and reliability of internal and external operations. This contributes to achieving the company's objectives for stakeholders and fosters a governance environment characterized by efficiency and transparency.

Within this framework, both the Board of Directors and executive management perform their duties within the limits of their authority, ensuring that all employees comply with established laws and policies to maintain regulatory compliance and effective governance.

## IMPLEMENTATION OF INTERNAL AUDIT MANAGEMENT REQUIREMENTS

### The Internal Audit Department consists of five employees as follows:

- Chief Audit Executive (CAE): Oversees all internal audit activities and ensures compliance with established policies and standards.
- Internal Audit Senior Manager: Coordinates audit processes and supervises the execution of internal audit plans.
- Two Internal Auditors (Financial & Operational Audit): Conduct financial and operational audits to ensure operational efficiency and financial data reliability.

- Senior Internal Auditor (QAIP & Special Assignments): Responsible for special audit assignments and ensuring the quality of internal audit performance.
- The Internal Audit Department operates with full independence, reporting directly to the Audit and Risk Management Committee. This independence enables the department to carry out its responsibilities efficiently and objectively, free from administrative influence or pressure.
- Key Responsibilities of the Internal Audit Department:
  - Implementing the annual audit plan approved by the committee, focusing on high-risk activities.
  - Submitting annual and quarterly reports to the committee, detailing audit results, control procedures, and oversight of internal control systems to safeguard company assets, ensure financial accuracy, and enhance operational efficiency across administrative, financial, accounting, technical, and operational functions.
  - Following up on internal and external audit recommendations to ensure timely implementation, identifying causes of control failures, and addressing corrective actions taken by the company.
  - Evaluating executive management's performance in applying internal control systems.
  - Reviewing quarterly and annual risk management reports and assessing their efficiency and effectiveness.
  - Providing advisory services to various company departments.
  - Preparing the annual internal audit plan and its estimated budget.
  - Reviewing multiple policies across departments to ensure the efficiency of internal control systems.

## SIXTH PRINCIPLE: PROMOTING PROFESSIONAL CONDUCT AND ETHICAL VALUES

### CODE OF CONDUCT AND ETHICAL STANDARDS

Employees are committed to the professional code of conduct, which defines the behavioral standards and values adopted by management in carrying out administrative and operational tasks. This ensures that the company achieves its objectives within an ethical and professional framework aligned with Kuwait's work environment and reflects the culture of the society.

The code of conduct plays a crucial role in developing and reinforcing business ethics by promoting ethical behavior that aligns with the highest international standards and practices. This, in turn, enhances investor confidence in the company's integrity and the accuracy of its financial reports while ensuring the interests of all stakeholders without conflicts of interest. The commitment of the Board of Directors, executive management, and all employees to policies and regulations serves the best interests of all parties equally.

### KEY PROVISIONS OF THE COMPANY'S CODE OF CONDUCT:

1. Emphasizing the commitment of each Board member and executive management to all laws and regulations, representing all shareholders, and acting in the best interest of the company, shareholders, and stakeholders.
2. Prohibiting the exploitation of the company's assets and resources for personal gain and ensuring their optimal use to achieve the company's objectives.
3. Establishing a strict system and clear mechanisms to prevent Board members and employees from using privileged information for personal benefit and prohibiting the disclosure of company-related information unless legally required or permitted.
4. Implementing procedures to regulate transactions with related parties.
5. Ensuring that no Board member or executive management uses their position to gain personal advantages or benefits for themselves or others.
6. Maintaining a clear separation between the company's interests and those of Board members by ensuring the Board prioritizes the company's interests over personal ones.
7. Requiring Board members to disclose any direct or indirect interests they have with the company.
8. Prohibiting Board members from participating in discussions, expressing opinions, or voting on any matters presented to the Board in which they have a direct or indirect interest.
9. Establishing a mechanism that allows employees to internally report any concerns regarding unethical practices, suspicious financial reporting, internal control issues, or other matters. The company ensures independent and fair investigations while protecting whistleblowers acting in good faith from any retaliatory actions or harm.

## **POLICIES AND MECHANISMS FOR CONFLICT-OF-INTEREST PREVENTION**

The Board of Directors aims to instill a culture of professional conduct and enhance investor confidence in the company's integrity and financial soundness by adhering to governance principles and implementing a conflict-of-interest policy. The Board has also adopted stakeholder and related-party policies, all of which aim to prevent any form of conflict of interest.

The conflict-of-interest policy ensures that Board members and executive management do not use their positions for personal gain (direct or indirect) and that they disclose any potential conflicts of interest with the company. The Chairman of the Board must inform the General Assembly during its meetings about any transactions or contracts in which a Board member has a personal interest, accompanied by a special report from the external auditor.

Furthermore, Board members and executive management are prohibited from engaging in any business that competes with the company or trading in any of its business activities. They are also restricted from using privileged information for personal benefit and from disclosing company-related information unless legally permitted or required.



**SEVENTH PRINCIPLE:  
ENSURING ACCURATE,  
TIMELY DISCLOSURE  
AND TRANSPARENCY**

Disclosure and transparency serve as fundamental standards in assessing the effectiveness of corporate governance within companies. Commitment and credibility in providing accurate and timely information to all relevant stakeholders enhance confidence in the company's management systems, employee guidance mechanisms, and decision-making processes. Ooredoo diligently applies all laws and guidelines set forth by the Capital Markets Authority regarding disclosure and transparency, as mandated by the authority's official regulations. Below is an outline of how this principle is implemented.

### IMPLEMENTATION OF ACCURATE DISCLOSURE AND TRANSPARENCY MECHANISMS

The company adheres to all disclosure requirements and issues all financial reports, audit reports, and relevant information with accuracy and transparency. These include financial statements, disclosures related to board members and executive management, general assembly meeting schedules, and all matters affecting the company's shares and stock market movements. The company's management ensures that all provided data is accurate, correct, and non-misleading. Furthermore, the company's annual financial reports comply with international financial reporting standards.

Ooredoo is committed to the highest levels of transparency in disclosing all material matters that impact the company's financial standing and stock performance. The company's Board of Directors has approved disclosure policies and procedures to ensure the timely provision of accurate and comprehensive information while safeguarding customer data from misuse or any actions that could harm clients' interests or the company's reputation. All Ooredoo employees are responsible for protecting customer data and disclosing it only to relevant authorities in accordance with company policies and legal regulations.

### COMPLIANCE WITH DISCLOSURE REQUIREMENTS FOR BOARD AND EXECUTIVE MEMBERS

The company maintains a disclosure register for all board members and executive management to ensure the precise and transparent documentation of all relevant disclosures. The corporate governance department also ensures that all members are regularly reminded of their obligations in this regard and that the necessary information is clearly communicated.

**Each board member and executive management member is required to disclose the following to the Capital Markets Authority, the stock exchange, and the company:**

1. Any personal interests, or interests held by their spouse or minor children, in the company's securities or those of any subsidiary or competing company.
2. Any changes in these interests, which must be disclosed before conducting any transactions involving these securities.
3. The exercise of any rights granted by the company or its subsidiaries to subscribe to its securities or those of its competitors.

Under these regulations, the disclosing party is responsible for any damages incurred by the authority, the stock exchange, or other parties due to non-disclosure in accordance with legal and regulatory requirements.

### ESTABLISHMENT OF AN INVESTOR RELATIONS UNIT

Ooredoo has established an Investor Relations Unit to ensure transparent communication with shareholders and investors, address their inquiries and concerns, and comply with policies and procedures approved by the Board of Directors in line with the company's regulations. This unit provides all requested information to investors, shareholders, and the media.

The Investor Relations Unit is staffed by experienced specialists in investor relations, well-versed in relevant laws and regulations. They implement governance frameworks to protect shareholder rights. The unit operates independently, reporting directly to the Chairman of the Board, ensuring timely and accurate dissemination of information and reports through recognized disclosure channels, including the company's website.

### ENHANCING IT INFRASTRUCTURE AND DIGITAL DISCLOSURE PROCESSES

A dedicated corporate governance section has been created on Ooredoo's website, where all annual disclosures, key financial reports (quarterly and annual), and general assembly meeting schedules are published.

- The company's website contains essential information about its establishment, activities, board members, executive management, and key policies.

**Ooredoo's official website: [ooredoo.com.kw](https://ooredoo.com.kw)**

- The Investor Relations Unit maintains a designated disclosure register as a reference for shareholders and management, in line with recommendations from the Capital Markets Authority.
- The automated disclosure process is meticulously managed by company specialists in coordination with the Capital Markets Authority. Communications with relevant departments within the company and the authority are conducted via email to provide necessary information and announce disclosures through Ooredoo's dedicated page on the authority's website.

## EIGHTH PRINCIPLE: PROTECTING SHAREHOLDERS' RIGHTS

### IMPLEMENTATION OF REQUIREMENTS FOR DEFINING AND PROTECTING SHAREHOLDERS' GENERAL RIGHTS

The management aims to protect shareholders' rights by implementing governance rules and adhering to principles of transparency and equality to ensure alignment between shareholders' objectives and those of the company. Shareholders enjoy multiple rights, including voting and electing their representatives on the Board of Directors with complete freedom, as well as participating in and voting at general assemblies on announced decisions.

Shareholders also have the right to review the achievements of the Board of Directors and the executive management, enabling them to assess their performance and hold them accountable for any company-related matters. Additionally, they have access to company documents and information regarding the company and its subsidiaries. Annual profits have been distributed to shareholders according to the announced schedule.

In this context, shareholders have the right to oversee the company's operations, the Board of Directors, and executive management, as well as to hold auditing firms accountable in this regard.

### ESTABLISHMENT OF A DEDICATED SHAREHOLDERS' REGISTER MAINTAINED BY THE CLEARING AGENCY

The company maintains a shareholders' register, which is entrusted to the Kuwait Clearing Company for safekeeping, allowing any shareholder to review it and obtain relevant information. The company also ensures open and transparent communication channels with shareholders by regularly publishing information on its website and through various media and social media platforms.

If shareholders have any inquiries related to shares, such as share transfers, dividend distribution, general assembly invitations, annual company reports, etc., they may contact the Clearing Agency exclusively to obtain any required information or documents in accordance with the regulations and instructions issued by relevant regulatory authorities.

### ENCOURAGING SHAREHOLDERS TO PARTICIPATE AND VOTE IN GENERAL ASSEMBLY MEETINGS

The company invites all shareholders without exception to attend and participate in general assembly meetings periodically. This is done through an invitation from the Board of Directors, which includes the meeting agenda, date, and location. The company ensures that shareholders receive all necessary information and reports to keep them informed about the latest company developments.

Furthermore, the management prepares and publishes the meeting agenda through media channels and social media platforms, in compliance with legal requirements, allowing shareholders to review it, participate in voting, and contribute to decision-making. The Chairman and Board members are committed to attending the general assembly meetings, responding to shareholder inquiries, listening to their comments and recommendations, and taking them into consideration.

The voting process for electing Board members is conducted with transparency and integrity, ensuring all shareholders can effectively participate in the decision-making process. Additionally, any objections from members are recorded in the minutes of the general assembly meeting.



## NINTH PRINCIPLE: RECOGNIZING THE ROLE OF STAKEHOLDERS

### SYSTEMS AND POLICIES ENSURING THE PROTECTION AND RECOGNITION OF STAKEHOLDERS' RIGHTS.

Stakeholders are all parties with a direct relationship with the company, including Board members, managers, employees, shareholders, investors, government bodies, regulatory institutions, auditors, and anyone with a direct interest in the company.

The Capital Markets Authority has recommended the protection of stakeholders' rights and emphasized the necessity of respecting their legal entitlements. The company acknowledges stakeholders' rights and actively monitors and safeguards them. Its policies are designed to maintain strong relationships with all stakeholders and ensure their fair treatment in accordance with applicable rules and regulations.

The Board of Directors has approved a stakeholder policy that guarantees maximum protection of their rights with full transparency and precision. To prevent conflicts of interest, certain regulations have been enforced to protect all parties, such as ensuring that no stakeholder gains unfair advantages through contracts or transactions related to the company's activities.

The primary objective of the stakeholder policy is to define the rights and responsibilities of all parties, ensuring that everyone involved is fully aware of and adheres to the stipulated provisions.

### ENCOURAGING STAKEHOLDERS TO ENGAGE IN MONITORING COMPANY ACTIVITIES

The management actively shares all company activities, developments, and updates through the company's official website. It also follows a disclosure policy aimed at ensuring transparency, speed, and accuracy in providing key information relevant to all stakeholders.

Through its website and all Ooredoo social media platforms, the company regularly publishes updates on events, promotions, and news related to its operations. These efforts are intended to cater to stakeholders' interests, attract the attention of all relevant parties, and enhance ongoing communication and engagement with the public.

## TENTH PRINCIPLE: ENHANCING AND CONTINUOUSLY IMPROVING PERFORMANCE

### TRAINING COURSES FOR BOARD MEMBERS AND EXECUTIVE MANAGEMENT

The Board of Directors is committed to enhancing and improving its performance and leadership skills, encouraging its members to expand their knowledge related to corporate governance. The competence and performance of Board members are considered essential pillars for the success of Ooredoo.

In this context, a workshop was organized for Board members that covered the latest regulations and practices related to sustainability principles. The aim was to enhance their knowledge of the requirements set by the Capital Markets Authority in this area, as well as to learn from the experiences of global telecom companies in implementing sustainability rules.

New members of the Board also attended an introductory training course, which included learning about the company's history, departments, operational experience, organizational structure, and their legal responsibilities and obligations in accordance with governance rules and the regulations set by the Capital Markets Authority.

The role of the Board extends beyond attending workshops and meetings in conference rooms; it also involves field visits to company branches, holding meetings with the executive management, and participating in celebrations and seminars organized by the company in cooperation with employees, local institutions, and companies. This helps foster direct interaction with various aspects of the business.

### EVALUATION OF BOARD PERFORMANCE AS A WHOLE, AND INDIVIDUAL PERFORMANCE OF BOARD MEMBERS AND EXECUTIVE MANAGEMENT

In accordance with the executive regulations of Law No. 7 of 2010, the company complies with all provisions of the law, particularly those outlined in Chapter 15 regarding corporate governance. This commitment includes adopting specific guidelines for evaluating the performance of the Board of Directors and the executive management.

Article 11/4 requires the establishment of systems and mechanisms to evaluate the performance of members individually and the executive management periodically. Article 11/5 obligates the company to create performance indicators (KPIs) to evaluate the Board as a whole, measure the contribution of each member, and assess each of its committees, in addition to the periodic evaluation of the executive directors.

As a result, the Board conducts an annual self-assessment of its performance, the performance of its committees and members, as well as the executive management, based on established criteria and principles.

**The evaluation of the Board is based on several areas, criteria, and performance indicators, which are reviewed and considered throughout the year. Some of the key areas include:**

- Completed training courses.
- Members' compliance with laws and regulations.
- Internal and external business development.
- Financial indicators.
- Operational indicators.

**EVALUATION MECHANISM:**

Board members conduct a self-assessment of their performance after the company's financial results have been finalized. This is done by filling out and signing self-assessment forms, based on qualitative and quantitative criteria, in line with legal requirements. The aim is to emphasize the Board members' responsibilities in administrative, financial, and operational aspects.

The signed forms are submitted to the Remuneration and Nomination Committee, which reviews the evaluations and discusses any feedback. The committee then presents its recommendations to the Board for a final decision on the evaluation and its outcomes.

**Efforts of the Board in Creating Corporate Values (Value Creation) among Employees by Achieving Strategic Goals and Improving Performance**

The Board of Directors has adopted a code of professional conduct and ethical behavior that reflects the core values and principles the company adheres to. The Board is committed to encouraging the executive management to continually enhance communication with employees and establish effective communication channels, including through social media, to align employee performance with the company's goals and values.

Under the guidance and supervision of the Board, the company aims to develop the work environment and improve employee performance by fostering a culture that supports continuous growth and development. The executive management is focused on training employees to carry out their duties at the highest levels of efficiency and commitment, with a particular emphasis on enhancing teamwork and collaboration across teams.

Additionally, the company organizes regular meetings and seminars to foster communication and interaction among employees at all levels. These activities contribute to creating a positive work environment and strengthen the sense of belonging, which in turn helps improve overall company performance and drives it toward achieving its goals.

**ELEVENTH PRINCIPLE:  
EMPHASIZING THE  
IMPORTANCE OF SOCIAL  
RESPONSIBILITY**

## SOCIAL RESPONSIBILITY POLICY

The concept of corporate social responsibility stems from the national sustainable development strategy, which is based on societal, ethical, legal and commercial standards.

This concept aims to ensure that the company plays an effective role in supporting community development, by adopting its priorities and contributing to achieving national goals.

Corporate social responsibility is an integrated set of policies and programs that are integrated into the company's business operations, with the aim of achieving a balance between economic, societal and environmental goals, considering the company's impacts on society and the environment in the past, present and future.

The Board of Directors has developed a policy that ensures a balance between the company's goals and the goals of society, as the company is committed to evaluating its business strategies in line with social and economic needs.

### Programs and mechanisms used to highlight the company's efforts in the field of social work.

In 2024, Ooredoo Kuwait demonstrated its strong commitment to making a lasting positive impact within the community. This was achieved through ongoing engagement, reaching diverse segments of the population via various awareness, development, charitable, and humanitarian initiatives. These efforts were all part of a comprehensive and far-reaching corporate social responsibility (CSR) program designed to support the community throughout the year.

## OOREDOO KUWAIT'S COMMUNITY INITIATIVES AND PARTICIPATION IN 2024

### Empowering Kuwaiti Youth and Supporting Local Talent

#### 1. ENCOURAGING INSPIRATIONAL ARTS AND TRADITIONAL HANDICRAFTS

At the start of 2024, Ooredoo Kuwait sponsored the "Colors of Music" competition, the first event of its kind in Kuwait, in collaboration with LAPA/ Loyac Academy. The competition featured 24 artists, each blending visual art and music by creating artworks inspired by musical compositions they listened to while painting.

Additionally, Ooredoo Kuwait partnered with the Al Sadu Weaving Cooperative Society to organize a workshop for young Kuwaitis, providing them with the opportunity to learn the traditional Sadu weaving craft, in celebration of World Youth Skills Day.

By collaborating with creative and heritage organizations in Kuwait, the company aims to launch impactful artistic initiatives that enrich the country's cultural landscape.

These initiatives foster innovation among young Kuwaitis, cultivate their creative talents and craftsmanship, and instill a strong appreciation for the arts.

Moreover, these efforts nurture a sense of national pride and help preserve Kuwait's rich heritage and cultural legacy.

## COMMUNITY HEALTH AND PHYSICAL FITNESS

Ooredoo Kuwait continued to support sports activities and championships throughout the past year, fostering enthusiasm among youth through diverse sports challenges—both at the corporate level among employees and within its community programs. The company aims to strengthen Kuwait's presence on the international sports scene and increase local participation in global tournaments.

### Key Sporting Contributions:

- Sponsorship of the Triathlon Championship held at the English School.
- Sponsorship of the ADCC Kuwait & Middle East Open Jiu-Jitsu Championship.
- Organizing the third edition of the Annual Corporate Football League.

Each of these competitions witnessed broad participation from young athletes, reflecting the company's dedication to encouraging sports competition.

To further promote football among emerging talents, the company supported the Junior Football Championship at the Armed Forces Officers Club to encourage young players. Additionally, the company sponsored the Children's Football Championship, which brought together teams from various schools and local clubs, helping to discover new sports talents and foster a competitive spirit among children.

Moreover, Ooredoo Kuwait renewed its partnership with Spark Health Club to encourage physical activity and a healthy, sustainable lifestyle. The company also served as a main sponsor of the NBK Run, aligning with its CSR goals of promoting community health and youth empowerment in sports and contributing to the development of the sports sector in Kuwait.

### 3. FOSTERING TECHNOLOGICAL INNOVATION TO SHAPE THE DIGITAL FUTURE

In 2024, Ooredoo Kuwait actively contributed to digital transformation efforts in the country by participating in initiatives and events aimed at empowering the Kuwaiti community in the tech sector and keeping pace with advancements to lead the digital future.

The company demonstrated its commitment to digital empowerment by supporting the SABS Team at Kuwait University, providing resources and guidance to participating students. This support fostered a technology-driven environment and research culture, enhancing students' capabilities in developing advanced tech solutions while leveraging the latest telecommunications and artificial intelligence innovations.

Ooredoo business participated in the 2024 Digital Transformation Summit at Kuwait University, offering insights and tech solutions to enhance the educational process. This initiative focused on how technology can improve the learning experience and efficiency, reaffirming the company's role in inspiring and empowering a new generation of digital innovators, positively impacting Kuwait's technology and telecommunications sector.

Furthermore, Ooredoo Kuwait recognized the achievements of students from the American University of Kuwait, who secured third place in the Huawei Global ICT Competition, by awarding them certificates of appreciation and supporting their future projects. This initiative aligns with the company's efforts to encourage academic excellence and innovation in technology among young individuals.

Launch of "Our Youth, Our Asset" Campaign: This initiative provided a digital platform for young Kuwaiti talents to showcase their projects and creativity, highlighting young entrepreneurs and ambitious national initiatives.

Supporting the growth of small and medium enterprises (SMEs) through advanced business services and solutions and sponsoring entrepreneurial events and exhibitions such as Food Buzz and TIPI, contributing to an innovative business ecosystem and boosting Kuwait's economic development.

## COMMUNITY ENGAGEMENT IN NATIONAL EVENTS AND CELEBRATIONS

For 25 years, Ooredoo Kuwait has spared no effort or resources in expressing love and commitment to Kuwait, especially during National and Liberation Day celebrations every February.

- Launch of "Kuwait: Pride and Honor" Campaign, in collaboration with the Ministry of Information, focusing on raising awareness about responsible celebrations and the preservation of public property.
- Participation in the "Love It, Sing for It" Campaign, aimed at strengthening children's and adults' connection with the national anthem in collaboration with governmental and private institutions.
- The company's volunteer team visited schools and universities to spread joy among students, distribute national-themed gifts, and participate in Kuwait University's National Day Celebrations, which attracted thousands of attendees with cultural and entertainment activities.
- Sponsorship of Bugsha Market, which combined shopping with entertainment and attracted over 200,000 visitors during the National Holidays, showcasing local entrepreneurs and enhancing national pride.

## COMPREHENSIVE RAMADAN INITIATIVES

embraced the holy month with a series of charitable contributions and initiatives, reflecting its commitment to instilling the values of social solidarity and strengthening bonds among all segments of society. The company launched its Ramadan activities by distributing iftar meals to those in need throughout the month, followed by sponsoring the "Longest Ramadan Iftar Table" event at Al-Mubarakia Souq. This gathering brought together a vast number of fasting individuals from diverse backgrounds to break their fast in an atmosphere of unity and camaraderie. The celebrations culminated with an Eid festivity for underprivileged families—the most needy segments of the community—where joy was spread through the distribution of Eid garments, gifts, and traditional Qaraqean treats.

In addition, the Ooredoo volunteer team organized regular visits throughout the month to hospitals and care homes, reaching out to children, the elderly, and patients. This initiative underscored the company's commitment to community solidarity and the promotion of generosity by bringing happiness to those less fortunate.

Regarding the Qaraqean celebrations, as part of its Ramadan 2024 program, Ooredoo arranged field visits for children that included recreational activities, educational workshops, and interactive sessions. These visits, which took place at KidZania and Buqsha Souq, featured the distribution of sweets and gifts, while also introducing the children to authentic Kuwaiti heritage—a testament to the company's dedication to staying connected with the local community and celebrating its traditions.

On an institutional level, Ooredoo also showed its care for its employees during the holy month by hosting one of its most innovative internal initiatives—the Ramadan Games League at the Ooredoo Tower, now in its second consecutive year. This event fostered enthusiastic and friendly competition among young Kuwaitis, who vied for the title in traditional games such as "Hand" and "Kot Bo Sitta." This initiative not only celebrated local culture but also strengthened social bonds across generations within the organization.

Through these comprehensive initiatives, Ooredoo Kuwait reaffirms its unwavering commitment to promoting social values and supporting cultural and heritage events, thereby reinforcing its role as a key partner in social development and as a champion of generosity and responsible celebration of national and religious occasions.

# CHAMPIONING SOCIAL AWARENESS AND INCLUSION FOR A STRONGER COMMUNITY

Ooredoo Kuwait has long been committed to fostering social awareness and embracing the principles of inclusivity, recognizing their vital role in building a more cohesive and just society. Through its targeted initiatives aimed at empowering diverse groups, the company actively works to create an environment that celebrates diversity and ensures equal opportunities for all.

As a leading telecommunications provider, Ooredoo Kuwait takes a strategic approach to social responsibility by launching interactive programs and initiatives that promote inclusion and enable individuals to reach their full potential. In line with this vision, the company continues to advocate for the support of special needs communities, the empowerment of women, and the promotion of a strong volunteer culture—key factors in driving sustainable development and benefiting society as a whole.

Among its most notable initiatives, Ooredoo Kuwait marked World Autism Awareness Day with a visit to the Kuwait Autism Center, where employees spent quality time with the children and distributed gifts to bring joy to their hearts. In a heartfelt gesture to raise health awareness and demonstrate its unwavering support, the company illuminated its iconic tower with the logo of the "Sanad" volunteer team alongside the orange ribbon—a global symbol of multiple sclerosis (MS) awareness. This initiative aimed to highlight the importance of raising awareness about MS while encouraging volunteer work and initiatives that enhance the quality of life for individuals living with the condition in Kuwait, fostering their integration into society.

Recognizing the positive impact of its awareness-driven initiatives, Ooredoo Kuwait was honored by Noor Academy for Special Needs Services for its efforts in supporting individuals with special needs and promoting their inclusion in the workforce. The recognition reflects the company's unwavering commitment to corporate social responsibility, ensuring meaningful community engagement through initiatives that provide support and empowerment.

Continuing its dedication to women's empowerment, Ooredoo Kuwait also sponsored the final workshop of the Young Women Leaders Empowerment Initiative, organized by Alnowair. The workshop featured a series of training sessions, interactive discussions, and motivational lectures designed to enhance confidence and develop leadership skills among young Kuwaiti women. This initiative reaffirms Ooredoo Kuwait's dedication to global efforts in advancing women's empowerment and strengthening their role in society.

## IN CONCLUSION...

Ooredoo Kuwait remains steadfast in its commitment to corporate citizenship and social responsibility, embedding these values as a core pillar of its corporate strategy. Through continuous support for diverse community segments, social inclusion, youth and women's empowerment, and innovation-driven sustainable development, the company is creating a lasting, meaningful impact on society.

Building on its long-standing achievements in social responsibility, Ooredoo Kuwait is dedicated to developing new programs and initiatives that enhance the quality of life, foster solidarity, and uphold the values of giving and inclusion. These efforts align with Kuwait's vision for a brighter and more prosperous future.



**Sheikh Nasser Bin Hamad  
Bin Nasser Al-Thani**  
Chairman

**Delivering  
Strong  
Results**

# FINANCIAL REPORT

We are driving a bold, forward-looking strategy reinforcing our core business while unlocking new opportunities for accelerated 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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

**What we have audited**

**The Group’s consolidated financial statements comprise:**

- The consolidated statement of financial position as at 31 December 2024;
- 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, comprising material accounting policy information and other explanatory information.

**Basis for opinion**

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

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

**Independence**

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



**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)

**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)

Our audit approach (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
<p><b>Revenue recognition</b></p> <p>As disclosed in note 18 to the accompanying consolidated financial statements, the Group’s total revenue for the year ended 31 December 2024 amounted to KWD 710,527 thousand. Furthermore, as at that date, the Group had contract assets, contract liabilities and deferred income of KD 58,410 thousand (including an amount of KD 3,175 thousand within other non-current assets), KD 4,950 thousand and KD 39,637 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.</p> <p>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.</p> <p>Refer to note 3.4 for the accounting policy, note 8 for contract assets, note 18 for revenue break-up and note 29 significant accounting judgements and estimates.</p>	<p><b>How our audit addressed the matter</b></p> <p>We audited revenue through a combination of controls testing, risk analytics and other substantive audit procedures, as stated below:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• Involving IT specialists to test IT general controls and certain automated controls surrounding relevant revenue systems on a sample basis;</li> <li>• Identifying and examining the key reconciliations prepared by management between different IT systems within the revenue process;</li> <li>• 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;</li> <li>• Performing substantive tests of details in relation to certain revenue streams; and</li> <li>• Assessing the adequacy of the disclosures in the consolidated financial statements relating to revenue against the requirements of IFRS Accounting Standards.</li> </ul>



**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 (continued)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>Impairment of goodwill</b></p> <p>As of 31 December 2024, the carrying value of goodwill amounted to KD 115,106 thousand as disclosed in Note 5 to the consolidated financial statements.</p> <p>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. As a result of the impairment test performed, an impairment of goodwill amounting to KD 8,406 thousand was recognised during the year ended 31 December 2024 in relation to the Group’s operations in Tunisia.</p> <p>We considered the impairment of goodwill to be a key audit matter because of its size as at 31 December 2024 and the judgements involved in determining the recoverable amount.</p> <p>Refer to note 3.12 for the accounting policy, notes 5 (i) and 23 for impairment testing of goodwill and note 29 for significant accounting judgements and estimates.</p>	<p><b>How our audit addressed the matter</b></p> <p>We have carried out the following procedures to evaluate management’s computation of the recoverable amount of goodwill:</p> <ul style="list-style-type: none"> <li>• Involving our internal valuation experts to assess key assumptions used by management including discount rate and terminal value.</li> <li>• 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;</li> <li>• Testing of reliability of management forecasting by performing lookback analysis;</li> <li>• Testing the mathematical accuracy of the cash flow model;</li> <li>• Performing sensitivity analyses on key assumptions used so as to direct our efforts towards those assumptions that have the greatest impact on recoverable amount;</li> <li>• Assessing the disclosure in the consolidated financial statements relating to goodwill against the requirements of IFRS Accounting Standards.</li> </ul>

**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 IFRS Accounting 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.

Auditors' responsibilities for the audit of the consolidated financial statements (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

### **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 2024 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 2024 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.)

[Date] Kuwait

**Consolidated statement of financial position**  
For the year ended 31 december

Note	2024	2023
	KD'000	KD'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	426,419	419,352
Intangible assets and goodwill	199,398	217,252
Right-of-use assets	163,659	143,504
Financial assets – equity instruments	1,542	1,092
Other non-current assets	13,455	13,655
Deferred tax assets	26,294	27,117
Contract costs	1,510	2,093
<b>Total non-current assets</b>	<b>832,277</b>	<b>824,065</b>
<b>Current assets</b>		
Inventories	10,582	11,250
Contract costs	6,271	6,760
Trade and other receivables	174,830	170,737
Assets classified as held for sale	-	712
Bank balances and cash	280,700	233,164
<b>Total current assets</b>	<b>472,383</b>	<b>422,623</b>
<b>Total assets</b>	<b>1,304,660</b>	<b>1,246,688</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	50,403	50,403
Treasury shares	(3,598)	(3,598)
Translation reserve	(330,457)	(323,334)
Other reserves	261,728	256,050
Retained earnings	584,707	610,798
Equity attributable to shareholders of the parent	562,783	590,319
<b>Non-controlling interests</b>	<b>101,995</b>	<b>94,479</b>
<b>Net equity</b>	<b>664,778</b>	<b>684,798</b>

**LIABILITIES**

**Non-current liabilities**

Loans and borrowings	12	35,221	7,058
Employees' benefits	13	13,239	12,470
Lease liabilities	14	143,344	123,597
Other non-current liabilities		8,420	3,066
Contract liabilities		1,213	1,126
Provisions	16	9,938	8,724
<b>Total non-current liabilities</b>		<b>211,375</b>	<b>156,041</b>

**Current liabilities**

Trade and other payables	15	280,842	271,647
Deferred income	17	39,637	39,038
Loans and borrowings	12	13,577	6,806
Lease liabilities	14	28,513	24,498
Income tax and other tax related payables	7	47,776	42,452
Contract liabilities		14,425	18,399
<b>Total current liabilities</b>		<b>428,507</b>	<b>405,849</b>
<b>Total liabilities</b>		<b>639,882</b>	<b>561,890</b>
<b>Total equity and liabilities</b>		<b>1,304,660</b>	<b>1,246,688</b>



**Nasser Bin Hamad Al Thani**  
Chairman

The accompanying notes from 1 to 31 form an integral part of this consolidated financial statements.

**Consolidated statement of profit or loss**  
For the year ended 31 december

<b>Revenue</b>	<b>18</b>	<b>710,527</b>	653,236
<b>Other income</b>	<b>27</b>	<b>2,746</b>	46,009
		<b>713,273</b>	699,245
Network, interconnect and other operating expenses	<b>19</b>	<b>(356,313)</b>	(326,524)
Employee salaries and associated cost	<b>20</b>	<b>(73,998)</b>	(64,007)
Management fee expense	<b>26</b>	<b>(20,711)</b>	(18,387)
Depreciation and amortisation	<b>21</b>	<b>(131,708)</b>	(135,240)
Finance costs	<b>22</b>	<b>(11,205)</b>	(9,670)
Finance income		<b>6,240</b>	5,762
Impairment losses on financial assets	<b>28</b>	<b>(17,591)</b>	(12,833)
Impairment losses on goodwill and other non-financial assets	<b>23</b>	<b>(9,340)</b>	(24,544)
Other (losses) / gain – net		<b>(836)</b>	1,315
<b>Profit before directors' remuneration, contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and income tax</b>		<b>97,811</b>	115,117
Directors' remuneration		<b>(682)</b>	(682)
Contribution to KFAS, NLST and Zakat	<b>24</b>	<b>(2,187)</b>	(4,077)
Income tax	<b>7</b>	<b>(28,429)</b>	(26,160)
<b>Profit for the year</b>		<b>66,513</b>	84,198
Profit attributable to:			
Shareholders of the parent		<b>49,410</b>	72,820
Non-controlling interests	<b>11</b>	<b>17,103</b>	11,378
		<b>66,513</b>	84,198
<b>Basic and diluted earnings per share (fils)</b>	<b>25</b>	<b>99</b>	145

The accompanying notes from 1 to 31 form an integral part of this consolidated financial statements.

**Consolidated Statement Of Comprehensive Income**  
For The Year Ended 31 December

	Note	2024	2023
		<b>KD'000</b>	KD'000
<b>Profit for the year</b>		<b>66,513</b>	84,198
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences		<b>(8,191)</b>	7,976
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net changes in fair value on investments in equity instruments designated as at FVTOCI		<b>450</b>	(119)
Other comprehensive income - net of tax		<b>(7,741)</b>	7,857
<b>Total comprehensive income for the year</b>		<b>58,772</b>	92,055
<b>Total comprehensive income attributable to:</b>			
Shareholders of the parent		<b>42,737</b>	79,039
Non-controlling interests		<b>16,035</b>	13,016
		<b>58,772</b>	92,055

The accompanying notes from 1 to 31 form an integral part of this consolidated financial statements.

**Consolidated statement of changes in equity (continued)**

	Attributable to shareholders of the parent							Non - controlling interests	Net equity
	Share capital	Treasury Reserve	Translation reserve	Other reserves	Retained earnings	Total	Net equity		
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	
<b>At 1 January 2024</b>	<b>50,403</b>	<b>(3,598)</b>	<b>(323,334)</b>	<b>256,050</b>	<b>610,798</b>	<b>590,319</b>	<b>94,479</b>	<b>684,798</b>	
Profit for the year	-	-	-	-	49,410	49,410	17,103	66,513	
Other comprehensive (loss)/ income	-	-	(7,123)	450	(6,673)	(1,068)	(7,741)		
Total comprehensive (loss)/ income for the year	-	-	(7,123)	450	42,737	42,737	16,035	58,772	
<b>Transactions with shareholders of the parent, recognised directly in equity</b>									
Dividend for 2023 (Note 10)	-	-	-	-	(70,163)	(70,163)	-	(70,163)	
Transfer to voluntary reserve	-	-	-	5,228	(5,228)	-	-	-	
<b>Transactions with non-controlling interests, recognised directly in equity</b>									
Dividend for 2023	-	-	-	-	-	-	(8,482)	(8,482)	
<b>Transactions with non-owners of the Group, recognised directly in equity</b>									
Transfer to employee association fund	-	-	-	-	(110)	(110)	(37)	(147)	
<b>At 31 December 2024</b>	<b>50,403</b>	<b>(3,598)</b>	<b>(330,457)</b>	<b>261,728</b>	<b>584,707</b>	<b>562,783</b>	<b>101,995</b>	<b>664,778</b>	

The accompanying notes from 1 to 31 form an integral part of this consolidated financial statements

	Attributable to shareholders of the parent							Net equity
	Share capital	Non - controlling interests	Total	Retained earnings	Other reserves	Translation reserve	Treasury Reserve	
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	
<b>At 31 December 2023</b>	<b>50,403</b>	<b>89,002</b>	<b>546,473</b>	<b>580,929</b>	<b>248,411</b>	<b>(329,672)</b>	<b>(3,598)</b>	<b>635,475</b>
Profit for the year	-	11,378	72,820	72,820	-	6,338	-	84,198
Other comprehensive income	-	1,638	6,219	-	(119)	6,338	-	7,857
Total comprehensive income for the year	-	13,016	79,039	72,820	(119)	6,338	-	92,055
<b>Transactions with shareholders of the parent, recognised directly in equity</b>								
Dividend for 2022 (Note 10)	-	-	(35,081)	(35,081)	-	-	-	(35,081)
Transfer to voluntary reserve	-	-	-	(7,758)	7,758	-	-	-
Transactions with non-controlling interests, recognised directly in equity	-	-	-	-	-	-	-	-
Dividend for 2022	-	(7,501)	-	-	-	-	-	(7,501)
<b>Transactions with non-owners of the Group, recognised directly in equity</b>								
Transfer to employee association fund	-	(38)	(121)	(121)	-	-	-	(150)
<b>At 31 December 2023</b>	<b>50,403</b>	<b>94,479</b>	<b>590,319</b>	<b>610,798</b>	<b>256,050</b>	<b>(323,334)</b>	<b>(98,593)</b>	<b>684,798</b>

**Consolidated statement of changes in equity**

**Consolidated Statement Of Cash Flows**  
For the year ended 31 december

Note	2024	2023*
	KD'000	KD'000
<b>Cash flows from operating activities</b>		
Profit before income tax	97,129	114,435
<b>Adjustments for:</b>		
Depreciation and amortisation	21 131,708	135,240
Impairment losses on financial assets	17,591	12,833
Impairment losses on other non-financial assets	23 9,340	24,544
Gain on disposal of property, plant and equipment	(2,210)	(1,614)
Loss on early termination of lease	(609)	1,306
Finance costs	22 11,205	9,670
Finance income	(6,240)	(5,762)
Provisions for site restoration & legal, regulatory, and other provisions	16 1,240	1,020
Provision for slow moving inventories	247	3,155
Provision for employees' benefits	13 2,095	2,021
<b>Operating profit before working capital changes</b>	<b>261,496</b>	296,848
<b>Working capital changes in:</b>		
Other non-current assets	200	(6,072)
Inventories	443	617
Contract costs	1,072	(1,146)
Trade and other receivables	(16,247)	(7,964)
Other non-current liabilities	5,354	(1,219)
Trade and other payables	7,571	(7,890)
Deferred income	599	3,302
Contract liabilities	815	73
<b>Cash generated from operations</b>	<b>261,303</b>	276,549
Employees' benefits paid	13 (1,299)	(1,628)
Provisions for site restoration & legal, regulatory, and other provisions paid	16 (3,606)	(216)
NLST, KFAS and Zakat paid	7 (3,789)	(1,286)
Income tax paid	7 (20,378)	(20,691)
<b>Net cash generated from operating activities</b>	<b>232,231</b>	252,728
<b>Cash flows from investing activities</b>		
Increase in term deposits	12,795	(67,856)
Acquisition of property, plant and equipment	4 (98,859)	(92,140)
Proceeds from disposal of property, plant and equipment	3,769	2,993
Acquisition of intangible assets	5 (11,044)	(4,956)
Interest received	4,138	4,208
<b>Net cash used in investing activities</b>	<b>(89,201)</b>	(157,751)

<b>Cash flows from financing activities</b>		
Finance costs paid	(11,056)	(9,618)
Dividend paid to shareholders of the parent	(70,050)	(35,085)
Dividend paid to non-controlling interests	(6,989)	(11,266)
Payment to employee association fund	(147)	(150)
Proceeds from loans and borrowings	43,004	6,446
Repayments of loans and borrowings	(8,071)	(8,429)
Payments of lease liabilities	14 (28,619)	(29,203)
<b>Net cash used in financing activities</b>	<b>(81,928)</b>	(87,305)
<b>Net increase in cash and cash equivalents</b>	<b>61,102</b>	7,672
Effect of exchange rate fluctuations	(771)	(954)
Cash and cash equivalents at the beginning of the year	131,879	125,161
<b>Cash and cash equivalents at the end of the year</b>	<b>192,210</b>	131,879

\*Refer to note 31 for details regarding certain reclassifications.

The accompanying notes from 1 to 31 form an integral part of this consolidated financial statements.

## 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 5 February 2025 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 2024 have been prepared in accordance with the IFRS accounting standards and the relevant provisions of the Companies Law No. 1 of 2016 and its executive regulations. IFRS Accounting Standards comprise the following authoritative literature:

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

## 2. BASIS OF PREPARATION (CONTINUED)

### 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;
- Assets held for sale - measured at the lower of carrying amount and fair value less costs to sell.

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 29 and 28 respectively.

## 3. MATERIAL ACCOUNTING POLICIES

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The material 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. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 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.

### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 3.2 BASIS OF CONSOLIDATION (CONTINUED)

#### A) BUSINESS COMBINATIONS AND GOODWILL (CONTINUED)

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 subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.2 BASIS OF CONSOLIDATION (CONTINUED)****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	
			2023	2024
Wataniya Telecom Algerie S.P.A. (WTA)	Telecommunication company	Algeria	71%	<b>71%</b>
Ooredoo Tunisie S.A.	Telecommunication company	Tunisia	75%	<b>75%</b>
Wataniya International FZ – L.L.C.	Investment company	UAE	100%	<b>100%</b>
Ooredoo Maldives PLC	Telecommunication company	Maldives	90.5%	<b>90.5%</b>
WARF Telecom International Pvt. Ltd.	Telecommunication company	Maldives	65%	<b>65%</b>
Wataniya Palestine Mobile Telecommunication Publish Shareholding Company "Ooredoo Palestine" *	Telecommunication company	Palestine	49.26%	<b>49.26%</b>
Phono for General Trading and Contracting Company W.L.L.	Telecommunication company	Kuwait	99%	<b>99%</b>
Fast Telecommunications Company W.L.L.	Telecommunication company	Kuwait	99%	<b>99%</b>
Ooredoo Consortium Ltd.	Investment company	Malta	100%	<b>100%</b>
Ooredoo Tunisia Holdings Ltd.	Investment company	Malta	100%	<b>100%</b>
Al Wataniya Gulf Telecommunications Holding Company S.P.C.	Investment company	Bahrain	100%	<b>100%</b>
Kuwait Towers Holding Company W.L.L.	Holding Company	Kuwait	100%	<b>100%</b>
Tunisia Towers Infracore	Holding Company	Tunisia	75%	<b>75%</b>
Mediterraneenne Prestations De Services (MPS)	Holding Company	Algeria	71%	<b>71%</b>

- The Group holds an effective 49.26% (2023: 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.

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)**  
**3.3 CHANGES TO MATERIAL ACCOUNTING POLICIES****1. New and amended standards adopted by the Group**

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these consolidated financial statements:

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1	1 January 2024
Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.	
Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).	
Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.	
The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:	
<ul style="list-style-type: none"> <li>• The carrying amount of the liability;</li> <li>• Information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and</li> <li>• Facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.</li> </ul>	
The amendments must be applied retrospectively in accordance with the requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.	
Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.	

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.3 Changes to material accounting policies (Continued)****1. New and amended standards adopted by the Group (Continued)****Lease liability in sale and leaseback – Amendments to IFRS 16****1 January  
2024**

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

**Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7****1 January  
2024**

On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

The new disclosures will provide information about:

1. The terms and conditions of SFAs.
2. The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
3. The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
4. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
5. Non-cash changes in the carrying amounts of financial liabilities in (2).
6. Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.3 Changes to material accounting policies (Continued)****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 the 31 December 2024 reporting periods and have not been early adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretations and amendments which will be adopted in the Group's consolidated financial statements as and when they are applicable.

**3.4 REVENUE**

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to 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.

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.4 REVENUE (Continued)****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.

**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 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.

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.4 REVENUE (Continued)****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.

### 3. MATERIAL 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.

### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 3.5 LEASES (CONTINUED)

##### B. As a lessee (Continued)

**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.

#### 3.6 OTHER GAIN / (LOSSES) - NET

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

### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 3.7 TAXES (CONTINUED)

##### **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, 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, 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 are related to items that are recognized in other comprehensive income or directly in equity, in which case, the current and 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.

### 3. MATERIAL 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 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.

<b>Tax / statutory levy</b>	<b>Rate</b>
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.

**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)**  
**3.10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**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.

**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. MATERIAL ACCOUNTING POLICIES (CONTINUED)**  
**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.

**3. MATERIAL 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:

	<b>License and other intangible assets</b>	<b>Brand name</b>
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. MATERIAL ACCOUNTING POLICIES (CONTINUED)**  
**3.15 FINANCIAL ASSETS**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value through other comprehensive or fair value through profit and loss, depending on the classification of the financial assets.

**Classification of financial assets**

*(i) Debt instruments designated at amortised cost*

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Amortised cost and effective interest rate method**

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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.

### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 3.15 FINANCIAL ASSETS (CONTINUED)

##### (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 gain / (loss) – 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.

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.

### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 3.15 FINANCIAL ASSETS (CONTINUED)

##### 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:

- significant financial difficulty of the issuer or the borrower;
- breach of contract, such as a default or past due event;
- 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;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- 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.

### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 3.15 FINANCIAL ASSETS (CONTINUED)

##### Impairment of financial assets (continued)

##### (iv) Measurement and recognition of expected credit losses (Continued)

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.

##### (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. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 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 gain / (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.

#### 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. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 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. MATERIAL ACCOUNTING POLICIES (CONTINUED) 3.20 PROVISIONS (CONTINUED)

##### **Decommissioning liability (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 also 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.

### 3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 3.21 FOREIGN CURRENCY TRANSACTIONS (CONTINUED)

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.

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 30 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 networks assets	Subscriber apparatus and other equipment	Capital work in progress	Total
	KD'000	KD'000	KD'000	KD'000	KD'000
<b>Cost</b>					
At 1 January 2023	65,164	1,218,675	130,607	61,351	1,475,797
Additions	1,779	26,067	4,436	59,858	92,140
Disposals	(1,749)	(4,993)	(4,484)	(2)	(11,228)
Transfers	4,923	48,814	4,405	(58,142)	-
Asset classified as held for Sale*	(685)	(3,280)	(431)	-	(4,396)
Exchange adjustment	716	20,524	1,419	965	23,624
At 31 December 2023	70,148	1,305,807	135,952	64,030	1,575,937
Additions	185	44,485	6,224	47,965	98,859
Disposals	(40)	(5,335)	(4,316)	(30)	(9,721)
Transfers	3,827	50,780	2,421	(58,127)	(1,099)
Exchange adjustment	(271)	(12,671)	(947)	(996)	(14,885)
<b>At 31 December 2024</b>	<b>73,849</b>	<b>1,383,066</b>	<b>139,334</b>	<b>52,842</b>	<b>1,649,091</b>
<b>Accumulated depreciation</b>					
At 1 January 2023	38,072	908,968	109,451	-	1,056,491
Provided during the year	2,875	82,508	8,695	-	94,078
Disposals	(517)	(4,844)	(4,488)	-	(9,849)
Impairment	-	1,422	15	-	1,437
Asset classified as held for Sale*	(672)	(2,582)	(430)	-	(3,684)
Exchange adjustment	561	16,239	1,312	-	18,112
At 31 December 2023	40,319	1,001,711	114,555	-	1,156,585
Provided during the year	2,981	74,359	8,195	-	85,535
Disposals	(30)	(5,064)	(3,780)	-	(8,874)
Impairment	-	890	44	-	934
Exchange adjustment	(238)	(10,363)	(907)	-	(11,508)
<b>At 31 December 2024</b>	<b>43,032</b>	<b>1,061,533</b>	<b>118,107</b>	<b>-</b>	<b>1,222,672</b>
<b>Carrying value</b>					
At 31 December 2023	29,829	304,096	21,397	64,030	419,352
<b>At 31 December 2024</b>	<b>30,817</b>	<b>321,533</b>	<b>21,227</b>	<b>52,842</b>	<b>426,419</b>

\*On 14 December 2023, Ooredoo Tunisia ("the Seller") entered into an Asset Purchase Agreement (APA) with Tunisia Hyperscale Solutions, a limited liability company incorporated in Tunisia indirectly owned by Ooredoo Q.P.S.C ("The Purchaser").

According to the APA, the Purchaser agrees to buy, and the Seller agrees to sell passive tangible equipment of five data centres. In previous year, the transaction was subject to approvals from relevant authorities and other internal validations. As a result, the APA transaction was accounted for as a sale of assets and the assets were classified by Group as assets classified as held for sale according to IFRS 5. Subsequently, the transaction was finalized in the first quarter of 2024.

## 5. INTANGIBLE ASSETS AND GOODWILL

	Goodwill	License and other intangible assets	Brand name	Total
	KD'000	KD'000	KD'000	KD'000
<b>Cost</b>				
At 1 January 2023	158,813	377,621	7,920	544,354
Additions	-	4,956	-	4,956
Disposals	-	(230)	-	(230)
Derecognition of license cost	-	(13,723)	-	(13,723)
Exchange adjustment	2,384	6,592	119	9,095
<b>At 31 December 2023</b>	<b>161,197</b>	<b>375,216</b>	<b>8,039</b>	<b>544,452</b>
Additions	-	<b>11,044</b>	-	<b>11,044</b>
Disposals	-	<b>(20)</b>	-	<b>(20)</b>
Transfers	-	<b>1,099</b>	-	<b>1,099</b>
Exchange adjustment	<b>(4,462)</b>	<b>(5,606)</b>	<b>(259)</b>	<b>(10,327)</b>
<b>At 31 December 2024</b>	<b>156,735</b>	<b>381,733</b>	<b>7,780</b>	<b>546,248</b>
<b>Accumulated amortisation</b>				
At 1 January 2023	10,282	266,652	7,920	284,854
Provided during the year	-	14,153	-	14,153
Disposals	-	(230)	-	(230)
Impairment	23,107	-	-	23,107
Exchange adjustment	285	4,912	119	5,316
<b>At 31 December 2023</b>	<b>33,674</b>	<b>285,487</b>	<b>8,039</b>	<b>327,200</b>
Provided during the year	-	<b>15,688</b>	-	<b>15,688</b>
Disposals	-	<b>(20)</b>	-	<b>(20)</b>
Impairment	<b>8,406</b>	-	-	<b>8,406</b>
Exchange adjustment	<b>(451)</b>	<b>(3,714)</b>	<b>(259)</b>	<b>(4,424)</b>
<b>At 31 December 2024</b>	<b>41,629</b>	<b>297,441</b>	<b>7,780</b>	<b>346,850</b>
<b>Carrying value</b>				
<b>At 31 December 2023</b>	<b>127,523</b>	<b>89,729</b>	<b>-</b>	<b>217,252</b>
<b>At 31 December 2024</b>	<b>115,106</b>	<b>84,292</b>	<b>-</b>	<b>199,398</b>

### i. Impairment testing of goodwill

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

	Carrying value 2024	Carrying value 2023
	KD'000	KD'000
Cash generating units		
Ooredoo Tunisie S.A.	<b>113,179</b>	125,596
Fast Telecommunications Company W.L.L.	<b>1,927</b>	1,927
	<b>115,106</b>	127,523

## 5. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

### i. Impairment testing of goodwill (Continued)

Goodwill was tested for impairment as at 31 December 2024. 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 10.08% to 14.84% (2023: 9.79% to 14.62%).

#### 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 4.3% to 5.75% (2023: 4.8% to 5.75%).

The Group has also performed a sensitivity analysis by varying discount and growth rate by a reasonable possible margin. Refer note 23

## 6. RIGHT-OF-USE ASSETS

	Land and buildings	Exchange and networks assets	Subscriber apparatus and other equipment	Total
	KD'000	KD'000	KD'000	KD'000
<b>Cost</b>				
At 1 January 2023	27,575	179,277	12,157	219,009
Additions	3,569	41,010	9,797	54,376
Reduction on early termination	(3,731)	(16,633)	(3,464)	(23,828)
Exchange adjustment	415	1,277	198	1,890
At 31 December 2023	27,828	204,931	18,688	251,447
Additions	<b>13,114</b>	<b>36,199</b>	<b>5,862</b>	<b>55,175</b>
Reduction on early termination	<b>(1,855)</b>	<b>(3,212)</b>	<b>(124)</b>	<b>(5,191)</b>
Reclassification	<b>4,453</b>	<b>(4,102)</b>	<b>(262)</b>	<b>89</b>
Exchange adjustment	<b>(269)</b>	<b>(1,363)</b>	<b>(153)</b>	<b>(1,785)</b>
<b>At 31 December 2024</b>	<b>43,271</b>	<b>232,453</b>	<b>24,011</b>	<b>299,735</b>
<b>Accumulated amortisation</b>				
At 1 January 2023	16,812	76,394	5,636	98,842
Provided during the year	3,645	20,642	2,722	27,009
Reduction on early termination	(3,571)	(11,625)	(3,528)	(18,724)
Exchange adjustment	249	520	47	816
At 31 December 2023	17,135	85,931	4,877	107,943
Provided during the year	<b>5,199</b>	<b>21,459</b>	<b>3,827</b>	<b>30,485</b>
Reduction on early termination	<b>(495)</b>	<b>(896)</b>	<b>(84)</b>	<b>(1,475)</b>
Reclassification	<b>458</b>	<b>(4)</b>	<b>(366)</b>	<b>88</b>
Exchange adjustment	<b>(172)</b>	<b>(710)</b>	<b>(83)</b>	<b>(965)</b>
<b>At 31 December 2024</b>	<b>22,125</b>	<b>105,780</b>	<b>8,171</b>	<b>136,076</b>
<b>Carrying value</b>				
At 31 December 2023	10,693	119,000	13,811	143,504
<b>At 31 December 2024</b>	<b>21,146</b>	<b>126,673</b>	<b>15,840</b>	<b>163,659</b>

Following the election of the Group not to recognize right-of-use assets and lease liabilities for short-term and low-value leases, KD 107 thousand and KD 58 thousand respectively (2023: KD 147 thousand and KD 108 thousand respectively), were recognized as expenses during the year. Moreover, variable lease payments which were recognized as expenses during 2024 amounted to KD 43 thousand (2023: KD 86 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:

	2024	2023
	KD'000	KD'000
<b>Contribution to KFAS, NLST and Zakat (Note 24)</b>	<b>2,187</b>	4,077
<b>Current income tax</b>		
Current income tax charge	<b>27,867</b>	26,087
<b>Deferred income tax</b>		
Relating to origination and reversal of temporary differences	<b>562</b>	73
	<b>28,429</b>	26,160

## 7. TAXATION (CONTINUED)

The tax rate applicable to the taxable subsidiaries is in 25.778% (2023: 26.509%). 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:

	2024	2023
	KD'000	KD'000
<b>Profit before tax</b>	<b>97,129</b>	114,435
Gain of parent and subsidiaries not subject to corporate income tax	<b>2,138</b>	(39,905)
Profit of subsidiaries subject to corporate income tax	<b>99,267</b>	74,530
<b>Add:</b>		
Allowances, accruals and other temporary differences	<b>1,348</b>	10,144
Expenses and income that are not subject to corporate tax	<b>7,726</b>	13,474
Depreciation – net of accounting and tax	<b>(236)</b>	259
Taxable profit of subsidiaries that are subject to corporate income tax	<b>108,105</b>	98,407
<b>Income tax charge at the effective income tax rate of 25.778% (2023: 26.509%)</b>	<b>27,867</b>	26,087

### Movement of deferred tax asset – net:

	2024	2023
	KD'000	KD'000
At 1 January	<b>27,117</b>	26,561
Deferred tax income during the year	<b>(562)</b>	(73)
Exchange adjustment	<b>(261)</b>	629
<b>At 31 December</b>	<b>26,294</b>	27,117

### Movement of income tax payable:

	2024	2023
	KD'000	KD'000
At 1 January	<b>42,452</b>	34,845
Provided during the year	<b>30,054</b>	30,164
Paid during the year	<b>(24,167)</b>	(21,977)
Exchange adjustment	<b>(563)</b>	(580)
At 31 December	<b>47,776</b>	42,452

## 7. TAXATION (CONTINUED)

### 7.1 OECD PILLAR TWO MODEL RULES

The Group, being part of Ooredoo Q.P.S.C (“the Ultimate Parent Company”), a multinational group headquartered in Qatar, falls under the scope of the OECD Pillar Two model rules. Pillar Two law was enacted in Kuwait, the jurisdiction in which the Company is incorporated, and will come into effect from 1 January 2025. The detailed Executive Regulations to the Law has not been issued yet at the reporting date. Since the Pillar Two legislation was not effective at the reporting date, the Company has no related current tax exposure. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The group will be in a position to assess the Pillar Two exposure in 2025 once the Executive Regulations be issued.

In addition, based on the current assessment there is no material impact from exposure to Pillar Two Law on the going concern assessment or on any asset impairment.

## 8. TRADE AND OTHER RECEIVABLES

	2024	2023
	KD'000	KD'000
Trade receivables	193,977	192,993
Contract assets	55,235	48,425
Advances and prepayments	23,913	21,603
Other receivables	17,854	8,460
	<b>290,979</b>	271,481
Less: Expected credit loss	<b>(116,149)</b>	(100,744)
	<b>174,830</b>	170,737

As of 31 December 2024, expected credit loss include an amount of KD 112,214 thousand (2023: KD 97,270 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.

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.

## 8. TRADE AND OTHER RECEIVABLES (CONTINUED)

Aging buckets	31 December 2024			31 December 2023		
	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	45,237	5.52%	2,495	50,174	5.14%	2,577
31 – 60 days	7,466	15.87%	1,185	9,928	12.32%	1,223
61 – 90 days	4,551	24.19%	1,101	5,394	26.01%	1,403
> 90 days	136,723	78.58%	107,433	127,497	72.21%	92,067
	<b>193,977</b>		<b>112,214</b>	192,993		97,270

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.

	2024	2023
	KD'000	KD'000
Balance as at 1 January	100,744	96,119
Allowance for impairment	17,630	12,747
Amounts written off	(1,527)	(8,745)
Foreign exchange differences	(698)	623
<b>Balance as at 31 December</b>	<b>116,149</b>	100,744

## 9. CASH AND CASH EQUIVALENTS

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

	2024	2023
	KD'000	KD'000
Bank balances and cash	278,682	231,742
Interest income receivable on deposits	2,103	1,554
Expected credit loss	(85)	(132)
Bank balances and cash in the consolidated statement of financial position	<b>280,700</b>	233,164
Less:		
Deposits with maturity of more than three months	(71,594)	(89,469)
Restricted deposits	(15,240)	(11,816)
Interest income receivable on deposits with maturity more than three months	(1,656)	-
<b>Cash and cash equivalents as per consolidated statement of cash flows at 31 December</b>	<b>192,210</b>	131,879

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 2.77% to 10.54% (2023: 1.24% to 10.9%).

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

The restricted deposits primarily pertain to 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 reversed an KD 47 thousand during the year ended 31 December 2024 (2023: impairment loss of KD 39 thousand).

**10. EQUITY****a) Share Capital**

The authorised, issued and fully paid up share capital as at 31 December 2024 consists of KD 504,033 shares (2023: KD 504,033 shares) of 100 fils each, contributed in cash.

**b) Treasury Share**

	2024	2023
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)	3,058	3,494

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 5,228 thousand has been transferred to voluntary reserve (2023: KD 7,758 thousand). There are no restrictions on distributions from the voluntary reserve.

**e) Dividends**

The Annual General Assembly of the Company, held on 7 March 2024, approved the consolidated financial statements of the Group for the year ended 31 December 2023 and the payment of cash dividend of 140 fils per share for the year ended 31 December 2023 to the Company's shareholders existing as at 31 March 2024 (2023: cash dividend of 70 fils per share for the year ended 31 December 2022).

The Board of Directors proposed a cash dividend of 90 fils per share for the year ended 31 December 2024 (2023: 140 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.

**10. EQUITY (CONTINUED)****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
<b>At 1 January 2023</b>	66,634	32,200	142,922	6,914	(3,671)	3,412	248,411
Other comprehensive loss for the year	-	-	-	-	(119)	-	(119)
Transfer to voluntary reserve	-	-	7,758	-	-	-	7,758
<b>At 31 December 2023</b>	66,634	32,200	150,680	6,914	(3,790)	3,412	256,050
<b>At 1 January 2024</b>	66,634	32,200	150,680	6,914	(3,790)	3,412	256,050
Other comprehensive income for the year	-	-	-	-	450	-	450
Transfer to voluntary reserve	-	-	5,228	-	-	-	5,228
<b>At 31 December 2024</b>	66,634	32,200	155,908	6,914	(3,340)	3,412	261,728

**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
<b>31 December 2024</b>			
Non-current assets	287,418	27,454	120,911
Current assets	90,325	46,108	92,679
Non-current liabilities	(65,484)	(4,578)	(58,915)
Current liabilities	(149,922)	(19,202)	(92,074)
<b>Net assets</b>	<b>162,337</b>	<b>49,782</b>	<b>62,601</b>
<b>Carrying amount of NCI</b>	<b>47,078</b>	<b>25,258</b>	<b>15,650</b>
<b>Revenue</b>	<b>239,280</b>	<b>33,438</b>	<b>129,985</b>
<b>Profit</b>	<b>33,631</b>	<b>3,610</b>	<b>20,751</b>
<b>Profit allocated to NCI</b>	<b>9,753</b>	<b>1,832</b>	<b>5,188</b>
<b>31 December 2023</b>			
Non-current assets	269,569	30,507	109,133
Current assets	76,580	37,152	49,879
Non-current liabilities	(47,048)	(3,701)	(27,390)
Current liabilities	(151,748)	(17,937)	(77,775)
<b>Net assets</b>	<b>147,353</b>	<b>46,021</b>	<b>53,847</b>
<b>Carrying amount of NCI</b>	<b>42,732</b>	<b>23,350</b>	<b>13,462</b>
Revenue	207,861	33,501	124,120
Profit	18,831	4,959	12,280
Profit allocated to NCI	5,461	2,516	3,070

## 12. LOANS AND BORROWINGS

	Current		Non-current	
	2024	2023	2024	2023
	KD'000	KD'000	KD'000	KD'000
Due to local banks in Kuwait	10,004	-	-	-
Due to local banks related to subsidiaries	3,573	6,806	35,221	7,058
	13,577	6,806	35,221	7,058

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

	Carrying amounts		Fair values	
	2024	2023	2024	2023
	KD'000	KD'000	KD'000	KD'000
Fixed rates	6,210	5,910	6,210	5,910
Floating rates	42,588	7,954	42,815	7,963
	48,798	13,864	49,025	13,873

The details of long-term debts are as follows:

Description	2024	2023
	KD'000	KD'000
a) 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 CBK+0.65% per annum. These are denominated in Kuwait Dinar.	10,004	-
b) 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 TMM + 1% (2023: 1.5%). The instalments of principal and interest are payable quarterly. These are denominated in Tunisian Dinar.	28,997	1,127
c) Secured debts from banks in Maldives against fixed deposits of Ooredoo Maldives PLC. These loans carry an effective interest rate between 3M and 6M SOFR + 4.75% and 1.5% respectively and fixed rate of 8% to 9% (2023: between 3M SOFR + 4.37% to 5% and fixed rate of 8% to 8.75%). These debts are repayable with accrued interest. These are denominated in US Dollar.	9,797	12,737
	48,798	13,864

## 13. Employees' benefits

	2024	2023
	KD'000	KD'000
At January 1	12,470	12,064
Provided during the year	2,095	2,021
Paid during the year	(1,299)	(1,628)
Exchange adjustments	(27)	13
<b>At 31 December</b>	<b>13,239</b>	<b>12,470</b>

## 14. Lease liabilities

	2024	2023
	KD'000	KD'000
At January 1	148,095	125,420
Additions during the year	57,812	54,376
Interest expense on lease liability (Note 22)	8,987	7,258
Principal element of lease payments	(28,619)	(29,203)
Payment of interest portion of lease liability	(8,838)	(7,206)
Reduction on early termination	(4,325)	(3,468)
Reclassification	(17)	(8)
Relating to discontinued operation	-	(330)
Exchange adjustments	(1,238)	1,256
<b>At 31 December</b>	<b>171,857</b>	<b>148,095</b>

	2024	2023
	KD'000	KD'000
Non-current portion	143,344	123,597
Current portion	28,513	24,498
	171,857	148,095

## 15. Trade and other payables

	2024	2023
	KD'000	KD'000
Trade payables	98,253	86,543
Accrued expenses	131,623	138,070
Other tax payables	15,867	15,777
Staff payables	15,332	15,031
Dividend payables	8,549	6,943
Other payables	11,218	9,283
	280,842	271,647

## 16. Provisions

	2024		
	Site restoration Provision	Legal, regulatory, and other provisions	Total
	KD'000	KD'000	KD'000
At January 1	8,724	18,399	27,123
Additions/(reversal) during the year	1,277	(37)	1,240
Payment made	-	(3,606)	(3,606)
Exchange adjustment	(63)	(331)	(394)
<b>At 31 December</b>	<b>9,938</b>	<b>14,425</b>	<b>24,363</b>
<b>Non-current portion</b>	<b>9,938</b>	<b>-</b>	<b>9,938</b>
<b>Current portion</b>	<b>-</b>	<b>14,425</b>	<b>14,425</b>
	9,938	14,425	24,363

## 16. Provisions (continued)

	2023		Total KD'000
	Site restoration Provision KD'000	Legal, regulatory, and other provisions KD'000	
At January 1	7,644	18,155	25,799
Additions / (reversal) during the year	957	63	1,020
Payment made	-	(216)	(216)
Unwinding of discount	12	-	12
Exchange adjustment	111	397	508
<b>At 31 December</b>	<b>8,724</b>	<b>18,399</b>	<b>27,123</b>
<b>Non-current portion</b>	<b>8,724</b>	<b>-</b>	<b>8,724</b>
<b>Current portion</b>	<b>-</b>	<b>18,399</b>	<b>18,399</b>
	<b>8,724</b>	<b>18,399</b>	<b>27,123</b>

Legal, regulatory, and other provisions include provisions relating to certain legal, commercial, and other regulatory related matters, including provisions relating to certain Group subsidiaries.

## 17. 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.

## 18. 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 30).

	2024 KD'000	2023 KD'000
Revenue from rendering of services	632,491	582,538
Sale of telecommunication equipment	77,295	69,880
Others	741	818
	<b>710,527</b>	<b>653,236</b>

	2024 KD'000	2023 KD'000
At a point in time	77,295	69,880
Overtime	633,232	583,356
	<b>710,527</b>	<b>653,236</b>

## 19. Network, interconnect and other operating expenses

	2024 KD'000	2023 KD'000
Outpayments and interconnect charges	(70,144)	(68,660)
Regulatory and related fees	(53,250)	(48,872)
Rentals and utilities	(13,303)	(12,074)
Network operation and maintenance	(53,779)	(43,990)
Cost of equipment sold and other services	(103,627)	(87,448)
Marketing costs and sponsorship	(9,960)	(10,185)
Commission on cards	(33,018)	(30,152)
Legal and professional fees*	(1,680)	(2,242)
Provision for obsolete and slow-moving inventories	(247)	(3,155)
Other expenses	(17,305)	(19,746)
	<b>(356,313)</b>	<b>(326,524)</b>

\* Legal and professional fees include fees for audit and other assurance services amounting to KD 156 thousand (2023: KD 153 thousand) and fees for other than audit services amounting KD 72 thousand (2023: KD 62 thousand).

## 20. Employee Salaries and Associated Cost

	2024 KD'000	2023 KD'000
Salaries and allowances	(70,714)	(61,133)
End of service benefits	(2,095)	(2,021)
Training and related costs	(972)	(644)
Pension contribution	(217)	(209)
	<b>(73,998)</b>	<b>(64,007)</b>

## 21. Depreciation And Amortisation

	2024 KD'000	2023 KD'000
Depreciation of property, plant and equipment (Note 4)	(85,535)	(94,078)
Amortisation of intangible assets (Note 5)	(15,688)	(14,153)
Amortisation of right-of-use assets (Note 6)	(30,485)	(27,009)
	<b>(131,708)</b>	<b>(135,240)</b>

## 22. Finance Costs

	2024 KD'000	2023 KD'000
Interest expenses	(1,233)	(1,618)
Interest cost on lease liabilities (Note 14)	(8,987)	(7,258)
Other finance charges	(985)	(794)
	<b>(11,205)</b>	<b>(9,670)</b>

### 23. Impairment loss on goodwill and other non-financial assets

	2024	2023
	KD'000	KD'000
Impairment loss on Ooredoo Tunisia (Note 5)*	8,406	23,107
Impairment on property, plant, and equipment (Note 4)**	934	1,437
	<b>9,340</b>	<b>24,544</b>

\*As at 31 December 2024, and as a result of the most recent Ooredoo Tunisia performance against its budget, the Group reassessed its investment in Tunisia by comparing the recoverable amount (based on value in use calculations computed using cash flow projections) to the carrying value of the cash generating unit. The computations indicated that the recoverable amount of the investment is less than the carrying value and as a result an impairment charge of KD 8,406 thousand (2023: KD 23,107 thousand) has been reflected in the consolidated statement of profit or loss.

#### Sensitivity analysis:

At 31 December 2024, if the discount rate used had been higher/lower by 0.5% with all other variables held constant, the impairment charge would have been KD 10,503 thousand higher (2023: KD 10,729 thousand higher) / KD 11,755 thousand lower (2023: KD 12,020 thousand lower).

\*\*The Group has assessed the impact of the war in Gaza on the property, plant and equipment. The Group has performed an assessment and accounted for the estimated impairments for a total of KD 934 thousand (2023: KD 1,437 thousand). The Group will continue to evaluate the quantitative impact on its consolidated financial statements when it has more reliable and accurate information to estimate the impact more precisely.

### 24. Contribution to KFAS, NLST and Zakat

	2024	2023
	KD'000	KD'000
KFAS	(523)	(776)
NLST	(1,015)	(2,259)
Zakat	(649)	(1,042)
	<b>(2,187)</b>	<b>(4,077)</b>

### 25. 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.

	2024	2023
Profit for the year attributable to shareholders of the parent (KD'000)	49,410	72,820
Number of shares 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)	99	145

### 26. 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	
	2024	2023
	KD'000	KD'000
<b>a) Balances included in the consolidated statement of financial position</b>		
Payable to:		
Ooredoo Group L.L.C – fellow subsidiary	24,140	19,882
Ooredoo IP L.L.C – fellow subsidiary	3,247	3,334
Ultimate parent company	28	537
Others – fellow subsidiary	619	-
Receivable from:		
Asiacell Communications PJSC – fellow subsidiary	413	413
Others – fellow subsidiary	13	19
	Year ended 31 December	
	2024	2023
	KD'000	KD'000
<b>b) Transactions included in the consolidated statement of profit or loss</b>		
Revenue from:		
Ultimate parent company	2,910	909
Others – fellow subsidiary	156	27
Operating expenses to:		
Ultimate parent company	172	110
Others – fellow subsidiary	801	28
Management fees to Ooredoo Group L.L.C – fellow subsidiary	15,767	14,225
Brand license fees to Ooredoo IP L.L.C – fellow subsidiary	4,944	4,162
	<b>20,711</b>	<b>18,387</b>
<b>c) Compensation of key management personnel:</b>		
Short term benefits	9,001	8,583
Termination benefits	1,146	855
	<b>10,147</b>	<b>9,438</b>

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

## 27. Commitments, Contingent Liabilities and Litigations

	2024	2023
	KD'000	KD'000
<b>a) Capital commitments</b>		
For the acquisition of property and equipment	33,179	28,359
For the acquisition of mobile license in a subsidiary *	65,944	65,752
	<b>99,123</b>	<b>94,111</b>
<b>b) Contingent liabilities</b>		
Letters of guarantee	4,639	6,481
Letters of credit	14,063	13,631
	<b>18,702</b>	<b>20,112</b>

### 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 65,944 thousand represents the unrecognized liability in the condensed consolidated interim financial information resulting from MTIT not fulfilling its obligations in relation with granting the Company access to 3G frequencies in Gaza amongst other things. Management, supported by their external legal advisors, is of the view that Ooredoo Palestine has strong grounds to defend these claims.
- In October 2019, the Algerian Central Bank claimed an amount of KD 22,958 thousand in respect of certain alleged foreign currency violations by WTA. Currently, WTA's appeal against this claim is in the Court of Cassation.
  - In October 2019, a third-party vendor of WTA obtained an order from the Judicial Authorities of Algeria to block an amount of KD 1,955 thousand from WTA's bank account in respect of revenue share agreement that was not executed by WTA due to force majeure. WTA appealed to the Court against this. In June 2023, the court of appeal dismissed the third-party vendor's case and ordered the cancellation of the seizure of WTA bank account. WTA executed the judgement. In December 2023, the third-party vendor appealed the case before the supreme court.
  - In April 2017, Kuwait's Cassation Court invalidated a portion of the regulatory tariff levied on mobile telecommunication companies in Kuwait since July 2011 by Kuwait's Ministry of Communications. Accordingly, the Group had filed a claim for the recovery of the excess amount paid from a change in regulation till date. In March 2023, the Court of Cassation rendered its ruling in favour of the Group for a part of the contingent asset by enforcing the CITRA and MOC to refund the Group a sum of KD 43,817 thousand which represents the amount overpaid for the period from July 2011 till August 2016. The Group completed the execution process and received the full amount of the judgment. A decision on the amounts overpaid for the period from August 2016 till date is awaiting the Court of Cassation's verdict.
  - In January 2025, CITRA and MOC filed a lawsuit for the reimbursement of the amount adjudicated in the aforementioned case. Management, supported by their external legal advisors, is of the view that the Parent Company has strong grounds to defend these claims.

## 28. Financial Risk Management

### Objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, lease liabilities, contract liabilities 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.

### Interest rate risk

The Group's financial assets and liabilities that are subject to interest rate risk comprise loans and borrowings Bank deposits are fixed interest rate. 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% (2023: 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	2024	2023
		KD'000	KD'000
<b>Impact on profit</b>	+1%	<b>(253)</b>	<b>(98)</b>

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.

## 28. Financial Risk Management (Continued)

### Foreign currency risk (Continued)

The Group had the following significant net exposure denominated in foreign currencies.

	Net exposure impacting net profit		Net exposure impacting equity	
	2024	2023	2024	2023
	KD'000	KD'000	KD'000	KD'000
USD Dollar	(8,952)	(7,121)	25,712	20,021
MVR Rufiyaa	-	-	19,589	18,787
Tunisian Dinar	-	-	(36,263)	(39,170)
Algerian Dinar	-	-	(79,240)	(87,285)
UAE Dirham	-	-	(6,247)	(6,383)
Euro	621	2,813	-	-
Others	(765)	1,230	-	-

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	
	2024	2023	2024	2023
	KD'000	KD'000	KD'000	KD'000
USD Dollar	895	712	(2,571)	(2,002)
MVR Rufiyaa	-	-	(1,959)	(1,879)
Tunisian Dinar	-	-	3,626	3,917
Algerian Dinar	-	-	7,924	8,728
UAE Dirham	-	-	625	638
Euro	(62)	(281)	-	-
GBP	76	(123)	-	-

### 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 material.

### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group'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:

	2024	2023
	KD'000	KD'000
Trade and other receivables (excluding advance and prepayments)	150,917	149,134
Bank balances	278,375	230,517
Other non-current assets	7,188	7,743
	<b>436,480</b>	<b>387,394</b>

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

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

## 28. Financial Risk Management (Continued)

### Credit risk (Continued)

	2024	2023
	KD'000	KD'000
Kuwait	180,901	195,486
Tunisia	84,287	40,566
Algeria	73,854	61,794
Maldives	51,470	52,098
Palestine	44,891	36,048
Others	1,077	1,402
	<b>436,480</b>	<b>387,394</b>

### 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 2024 and 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. Considering the Group's large and unrelated customer base, the concentration of credit risk is limited.

### 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.

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 KD'000	Loss allowance KD'000	Net carrying amount KD'000
31 December 2024					
<b>Bank balances</b>	Rated	12 month ECL	278,460	(85)	278,375
<b>Trade and other receivables (i)</b>	Not Rated	Lifetime ECL	267,066	(116,149)	150,917
<b>Other non-current assets</b>	Not Rated	Lifetime ECL	7,502	(314)	7,188
31 December 2023					
Bank balances	Rated	12 month ECL	229,095	(132)	228,963
Trade and other receivables (i)	Not Rated	Lifetime ECL	251,432	(100,744)	150,688
Other non-current assets	Not Rated	Lifetime ECL	8,049	(306)	7,743

- 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.

The below table shows the collective assessment of movement in lifetime ECL that has been recognised for financial instruments:

	2024 KD'000	2023 KD'000
Balance as at 1 January	101,183	96,471
Allowance for impairment	17,591	12,833
Amounts written off	(1,527)	(8,745)
Foreign exchange differences	(698)	624
<b>Balance as at 31 December</b>	<b>116,549</b>	<b>101,183</b>

### 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:

## 28. Financial Risk Management (Continued)

### Liquidity risk (Continued)

	Less than 1 year KD'000	1 to 5 years KD'000	> 5 year KD'000	Total KD'000
At 31 December 2024				
Loans and borrowings	16,286	40,009	1,744	58,039
Trade payables	280,842	-	-	280,842
Lease liabilities	35,878	110,555	58,120	204,553
Other non-current liabilities	-	8,420	-	8,420
	<b>333,006</b>	<b>158,984</b>	<b>59,864</b>	<b>551,854</b>
At 31 December 2023				
Loans and borrowings	7,673	7,887	-	15,560
Trade payables	271,647	-	-	271,647
Lease liabilities	31,599	100,975	52,524	185,098
Other non-current liabilities	-	3,066	-	3,066
	<b>310,919</b>	<b>111,928</b>	<b>52,524</b>	<b>475,371</b>

### 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. As at 31 December 2024 and 2023, the Group is ungeared.

## 29. Significant Accounting Judgements and Estimates

The preparation of the consolidated financial statements in compliance with IFRS Accounting Standards requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

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.

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.
- Bears the customer's credit risk.

## 29. Significant Accounting Judgements and Estimates (Continued)

### Principal versus agent (Continued)

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.
- Significant negative industry or economic trends.

The Group determines an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount has been determined based on value in use calculations. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit being tested. The recoverable amount of investment is determined based on the net present value of future cash flows, management assumptions made, including management's expectations of the investment's:

- 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.
- 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 and 23 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 flow.

### 30. 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 2024 and 2023:

	Inside Kuwait	Tunisia	Algeria	Maldives	Others	Un-allocated	Total
	<b>Outside Kuwait</b>						
<b>Year ended 31 December 2024</b>							
Segment revenues	263,977	129,985	239,280	43,847	33,438	-	710,527
Segment profit before tax	10,189	31,674	47,446	16,108	3,926	(12,214)	97,129
Depreciation and amortisation	(41,966)	(22,024)	(51,611)	(4,985)	(7,314)	(3,808)	(131,708)
Finance costs	(2,205)	(2,557)	(4,305)	(1,991)	(147)	-	(11,205)
Contribution to N.L.S.T., K.F.A.S and Zakat	(2,187)	-	-	-	-	-	(2,187)
Income tax	(493)	(10,923)	(13,815)	(2,490)	(708)	-	(28,429)
<b>As at 31 December 2024</b>							
Segment assets	390,927	213,588	377,741	97,772	74,659	149,973	1,304,660
Segment liabilities	213,527	143,698	215,402	36,274	30,981	-	639,882
<b>Year ended 31 December 2023</b>							
Segment revenues	245,954	124,120	207,861	41,800	33,501	-	653,236
Segment profit before tax	66,916	23,326	29,685	16,046	5,395	(26,933)	114,435
Depreciation and amortisation	(43,171)	(21,125)	(55,332)	(4,627)	(7,159)	(3,826)	(135,240)
Finance costs	(1,907)	(2,424)	(3,134)	(2,014)	(191)	-	(9,670)
Contribution to N.L.S.T., K.F.A.S and Zakat	(4,077)	-	-	-	-	-	(4,077)
Income tax	(898)	(11,046)	(10,854)	(2,398)	(964)	-	(26,160)
<b>As at 31 December 2023</b>							
Segment assets	410,257	159,010	346,145	94,580	69,080	167,616	1,246,688
Segment liabilities	192,457	105,164	198,792	37,381	28,096	-	561,890

### 29. Significant Accounting Judgements and Estimates (Continued)

#### 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.

#### Provision and contingent liabilities

The Group's management determines provision on the best estimate of the expenditure required to settle the present obligation as a result of the past event at the reporting date.

The Group's management measures contingent liabilities as a possible obligation depending on whether some uncertain future event occurs or a present obligation, but payment is not probable or the amount cannot be measured reliably. (Refer note 27)

### 30. 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.

### 31. Comparative Information

During the period, the Group performed an exercise to determine if the presentation of the consolidated financial state is in accordance with IAS 1 “Presentation of financial statements” and IAS 7 “Statement of cash flows”. This exercise resulted in the reclassification of certain line items in the consolidated financial statements. The comparative figures have been reclassified in order to conform with the presentation for the current year. Such reclassifications did not have any impact on the previously reported equity and profits.

The effects of the reclassifications in the tables above have accordingly been mirrored in the comparative period’s consolidated statement of cash flows with no impact on net cash generated from operating activities, net cash used in investing activities or net cash used in financing activities.

	Previous	Reclassification	Current	Notes
	KD' 000	KD' 000	KD' 000	
<b>Consolidated statement of cash flow as at 31 December 2023</b>				
<b>Investing activities</b>				
Net movement in deposits	(67,872)	16	(67,856)	The bank account used to pay dividends was not previously treated as cash in the consolidated statement of cash flow statement, and as a result transfers to this account were presented as investing cash outflows. The Group has reassessed the terms of this account and has determined that it is cash (consistent with its historic treatment in the consolidated statement of financial position), and hence transfers to this account should not be treated as cash flows.
Cash and cash equivalent at the beginning of the period	119,350	5,811	125,161	
Cash and cash equivalent at the end of the period	124,580	7,299	131,879	

