

OMANI QATARI TELECOMMUNICATION COMPANY SAOG

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(UNAUDITED)**

**Registered office and
principal place of business**

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OMANI QATARI TELECOMMUNICATION COMPANY SAOG

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED)

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Independent Auditors' Report on Review of Interim Financial Statements

To the Shareholders of Omani Qatari Telecommunication Company SAOG

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial statements of Omani Qatari Telecommunication Company SAOG ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2024;
- the condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2024;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2024; and
- notes to the interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

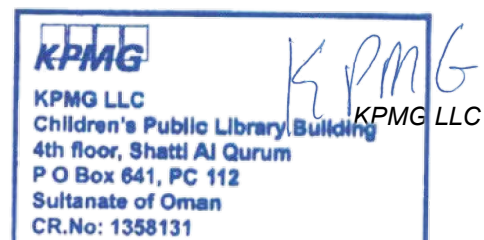
Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2024 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

27 October 2024



OMANI QATARI TELECOMMUNICATION COMPANY SAOG

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

		<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
		30 September	30 September	30 September	30 September
		2024	2023	2024	2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>Notes</i>	RO'000	RO'000	RO'000	RO'000
Revenue	4	62,057	63,210	188,605	193,086
Other income		92	28	125	94
Network, interconnect and other operating expenses		(26,699)	(26,596)	(82,097)	(81,955)
Employee salaries and associated costs		(9,080)	(8,065)	(25,372)	(24,025)
Depreciation and amortisation		(16,126)	(18,028)	(49,341)	(53,126)
Finance costs		(804)	(789)	(2,589)	(2,803)
Finance income		2	3	4	5
Reversal of impairment/ (impairment loss) on non-financial assets		47	(14)	169	35
Impairment losses on financial assets		(627)	(703)	(2,489)	(2,970)
Other gains /(losses) – net		37	(10)	(33)	(75)
Royalty		(6,105)	(6,403)	(18,286)	(18,894)
Profit before tax		2,794	2,633	8,696	9,372
Income tax	5	(397)	(525)	(1,341)	(1,463)
Profit and total comprehensive income for the period		2,397	2,108	7,355	7,909
Profit and total comprehensive income attributable to:					
Equity holders of the Parent Company		2,364	2,089	7,277	7,858
Non-controlling interests		33	19	78	51
		2,397	2,108	7,355	7,909
Earnings per share					
Basic and diluted earnings per share (RO)	6	0.004	0.003	0.011	0.012

The accompanying notes on pages 7 to 21 are an integral part of this condensed consolidated interim financial statements.

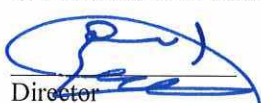
The review report of the independent auditor is set out on page 1.

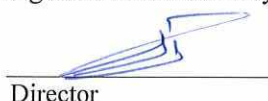
OMANI QATARI TELECOMMUNICATION COMPANY SAOG

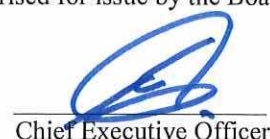
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

	Notes	30 September 2024 (Unaudited) RO'000	31 December 2023 (Audited) RO'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	235,054	236,349
Right-of-use assets	8	34,048	34,159
Licences	9	68,297	70,294
Other intangible assets	9A	15,263	14,735
Other non-current assets		1,959	3,710
Contract costs		852	1,128
Total non-current assets		355,473	360,375
Current assets			
Inventories		4,008	3,818
Contract costs		2,608	3,110
Trade and other receivables		49,415	59,487
Cash and cash equivalents		2,388	3,422
Total current assets		58,419	69,837
TOTAL ASSETS		413,892	430,212
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Share capital		65,094	65,094
Legal reserve		21,698	21,698
Retained earnings		169,854	172,146
Equity attributable to the equity holders of the Parent Company		256,646	258,938
Non-controlling interests		247	169
Total equity and non-controlling interests		256,893	259,107
LIABILITIES			
Non-current liabilities			
Loans and borrowings	10	198	338
Government grant	13	1,881	-
Lease liabilities	11	26,519	28,901
Site restoration provision		8,136	7,980
Employee benefits	12	1,880	2,095
Deferred tax liability	5	2,766	2,773
Total non-current liabilities		41,380	42,087
Current liabilities			
Trade and other payables		83,328	100,976
Employee benefits	12	757	689
Loans and borrowings	10	15,416	14,036
Lease liabilities	11	9,545	8,312
Contract liabilities		1,128	688
Deferred income		3,960	3,979
Income tax payable	5	1,485	338
Total current liabilities		115,619	129,018
Total liabilities		156,999	171,105
TOTAL EQUITY AND LIABILITIES		413,892	430,212

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 24 October 2024 and were signed on their behalf by:


Director


Director


Chief Executive Officer

The accompanying notes on pages 7 to 21 are an integral part of this condensed consolidated interim financial statements.

The review report of the independent auditor is set out on page 1.

OMANI QATARI TELECOMMUNICATION COMPANY SAOG

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

	Attributable to the equity holders of the Parent Company				Non- controlling interests RO'000	Total equity RO'000
	Share capital RO'000	Legal reserve RO'000	Retained earnings RO'000	Sub-total RO'000		
Balance at 1 January 2023 (audited)	65,094	21,698	174,473	261,265	102	261,367
Profit and total comprehensive income for the period	-	-	7,858	7,858	51	7,909
Dividends	-	-	(13,019)	(13,019)	-	(13,019)
Balance at 30 September 2023 (unaudited)	<u>65,094</u>	<u>21,698</u>	<u>169,312</u>	<u>256,104</u>	<u>153</u>	<u>256,257</u>
Balance at 1 January 2024 (audited)	65,094	21,698	172,146	258,938	169	259,107
Profit and total comprehensive income for the period	-	-	7,277	7,277	78	7,355
Dividends (note 14)	-	-	(9,569)	(9,569)	-	(9,569)
Balance at 30 September 2024 (unaudited)	<u>65,094</u>	<u>21,698</u>	<u>169,854</u>	<u>256,646</u>	<u>247</u>	<u>256,893</u>

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OMANI QATARI TELECOMMUNICATION COMPANY SAOG

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

		30 September 2024 (Unaudited) RO'000	30 September 2023 (Unaudited) RO'000
	Notes		
OPERATING ACTIVITIES			
Profit before tax		8,696	9,372
Adjustments for:			
Depreciation	7	34,972	39,705
Right-of-use depreciation and amortisation	8,9,9A	14,369	13,421
Impairment losses on financial assets		2,489	2,970
Reversal of impairment loss on non-financial assets		(169)	(35)
Financing costs – lease		1,590	1,646
Finance costs		843	1,070
Unwinding of discount of site restoration provision		156	87
Finance income		(4)	(5)
Accrual of cash settled share-based payments		590	506
Employees' end of service benefits		(182)	337
Gain on termination of lease contract		(9)	(60)
Loss on write-off of property, plant and equipment		79	27
Cost estimation adjustment		(34)	-
Movement in long term prepayment		-	(412)
Operating profit before working capital changes		63,386	68,629
Working capital changes:			
Inventories		(190)	475
Trade and other receivables		9,464	(2,915)
Contract assets and other non-current assets		2,027	(1,624)
Contract costs		502	(740)
Trade and other payables		(19,796)	(12,595)
Contract liabilities and deferred income		421	(1,391)
Cash generated from operations		55,814	49,839
Interest paid		(788)	(1,084)
Interest paid – lease		(1,640)	(2,677)
Income tax paid	5	(201)	-
Cash settled share-based payments paid		(522)	(306)
Employees' end of service benefits paid		(33)	(126)
Net cash generated from operating activities		52,630	45,646
INVESTING ACTIVITIES			
Payments for property, plant and equipment		(31,417)	(37,928)
Payment for license renewal	9	(2,893)	(12,500)
Payment for intangible asset	9A	(4,185)	(4,164)
Interest income		4	5
Net cash used in investing activities		(38,491)	(54,587)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	10	47,000	69,000
Repayment of loans and borrowings	10	(45,815)	(36,806)
Dividends paid	14	(9,569)	(13,019)
Repayment of lease principal		(6,789)	(8,084)
Net cash (used in) / generated from financing activities		(15,173)	11,091
Net (decrease) / increase in cash and cash equivalents		(1,034)	2,150
Cash and cash equivalents at the beginning of the period		3,422	2,388
Cash and cash equivalents at the end of the period		2,388	4,538

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The review report of the independent auditor is set out on page 1.

OMANI QATARI TELECOMMUNICATION COMPANY SAOG

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (continued)

Non-cash investing and financing activities

		30 September 2024 (Unaudited) RO'000	30 September 2023 (Unaudited) RO'000
	Note		
Acquisition of right-of-use leased assets	8	<u>5,711</u>	<u>2,608</u>

The accompanying notes on pages 7 to 21 are an integral part of these condensed consolidated interim financial statements.

The review report of the independent auditor is set out on page 1.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED)****1 Legal status and principal activities**

Omani Qatari Telecommunication Company SAOG (the “Parent Company” or the “Company”) is an Omani joint stock company registered under the Commercial Companies Law of the Sultanate of Oman. In accordance with Royal Decree 17/2005, effective 19 February 2005, the Company was granted a licence to provide mobile telecommunication services in the Sultanate of Oman for a period of 15 years ending 18 February 2020. The Company’s mobile licence has been renewed for another period of 15 years starting from 19 February 2020 by the issuance of Royal Decree No. 3/2020 in February 2020.

In accordance with Royal Decree 34/2009, effective 6 June 2009, the Company was also awarded a licence to provide fixed line telecommunication services in the Sultanate of Oman for a period of 25 years. The Company’s activities under this licence will be installation, operation, maintenance and exploitation of fixed public telecommunications systems in the Sultanate of Oman.

The Company’s current principal activities are the operation, maintenance and development of mobile and fixed telecommunications services in the Sultanate of Oman.

The Company is a subsidiary of Seyoula International Investment W.L.L whose registered address is Ooredoo Building 25th Floor, 100 West Bay Center Diplomatic Area, P.O. Box 217 Doha, Qatar. The ultimate parent of the Company is Ooredoo Q.P.S.C. whose registered address is P.O. Box 217, Doha, Qatar. The ultimate controlling party of the Group is Qatar Investment Authority – the sovereign wealth fund of the State of Qatar.

During 2015, the Company acquired a 51% shareholding in Duqm Data Centre SAOC (“the Subsidiary”). The Subsidiary is registered in the Sultanate of Oman. The Subsidiary’s principal activities are data collection, management and operation of data preparation of other agencies on permanent basis. During December 2018 and 2019, the Company subscribed to additional shares in the Subsidiary. Because of this, the shareholding of the Company in the Subsidiary was increased to 71% as at 31 December 2019. The Subsidiary has started its commercial operations during 2019.

On 7 November 2021, the Company invested 100% shareholding in Gulf Tower Company SPC (“the Tower Co”). The Tower Co is registered in the Sultanate of Oman and its principal activities are carry business relating to wired telecommunications, maintenance of networks and renting of communication equipment. The Tower Co has not commenced operations as of 30 September 2024.

The Parent Company and its two subsidiaries together is hereafter referred as “the Group” and individually as “the Parent Company” or the “Company” and “the Subsidiaries”, respectively.

2(a) Basis of preparation

These condensed consolidated interim financial statements (“the interim financial statements”) of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and the minimum disclosure requirements issued by the Financial Services Authority [formerly known as Capital Market Authority (“CMA”)]. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the preparation of the annual financial statements of the Group for the year ended 31 December 2023 except for the adoption of new and amended standards as disclosed in note 2.1 below.

The interim financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The interim financial statements are prepared in Rial Omani (RO), rounded to the nearest thousand except when otherwise indicated.

The interim financial statements are prepared under the historical cost convention, except for the measurement at fair value of the cash settled share-based payments.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

2(b) Change in accounting policy

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

The policy for recognising and measuring income taxes in the interim period is disclosed in Note 5 and is consistent with that applied in the comparative interim period.

2.1 New and amended standards adopted by the Group

Following are the standards that are effective from 01 January 2024.

- Amendment to IAS 7 and IFRS 7, Supplier Finance Arrangements.
- Amendments to IFRS 16, Lease liability in a sale and leaseback.

The Group has adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. Despite the change in policy, there is no current period or retrospective impact on the comparative statement of financial position as of 31 December 2023 and for the nine months period ended 30 September 2024.

The change in accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2024.

2.2 Impact of new standards (issued but not yet adopted by the Group)

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

The Group is currently assessing the impact of the below not yet effective amendments on consolidated financial statements:

New standards or amendments	Effective date
<ul style="list-style-type: none"> • Lack of Exchangeability – Amendments to IAS 21 	01 January 2025
<ul style="list-style-type: none"> • Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) 	Available for optional adoption/effective date deferred indefinitely

3 Use of judgement and estimate

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values, for both financial assets and liabilities and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)****3 Use of judgement and estimate (continued)****Measurement of fair values (continued)**

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group audit committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

4 Revenue

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	30 September 2024 (Unaudited) RO'000	30 September 2023 (Unaudited) RO'000	30 September 2024 (Unaudited) RO'000	30 September 2023 (Unaudited) RO'000
Revenue from rendering of services	58,748	60,128	176,836	180,995
Sale of telecommunication equipment	3,309	3,082	11,769	12,091
	62,057	63,210	188,605	193,086
Timing of revenue recognition				
At a point in time	3,309	3,082	11,769	12,091
Over time	58,748	60,128	176,836	180,995
Revenue	62,057	63,210	188,605	193,086

5 Income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxation is provided in accordance with Omani regulations.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carried forward unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in statement of profit or loss or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	30 September 2024 (Unaudited) RO'000	30 September 2023 (Unaudited) RO'000	30 September 2024 (Unaudited) RO'000	30 September 2023 (Unaudited) RO'000
Statement of profit or loss				
Current tax expense	212	16	1,348	1,176
Deferred tax expense	185	509	(7)	287
	397	525	1,341	1,463

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

5 Income tax (continued)

	30 September 2024 (Unaudited) RO'000	31 December 2023 (Audited) RO'000
The movement in the current taxation liability as follows:		
At 1 January	338	51
Charge for the period / year	1,348	287
Payment	(201)	-
At 30 September / 31 December	<u>1,485</u>	<u>338</u>
Deferred tax asset / (liability)		
At 1 January	(2,773)	(1,100)
Movement for the period / year through statement of profit or loss	7	(1,673)
At 30 September / 31 December	<u>(2,766)</u>	<u>(2,773)</u>

The tax rate applicable to the Group is 15% (2023: 15%). Deferred tax asset/liability is recorded at 15% (2023: 15%). For the purpose of determining the taxable results for the period, the accounting profit of the Group has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing laws, regulations and practices

The income tax assessment of the Parent Company has been finalised by the Oman Taxation Authorities up to 2019. Income tax assessments for the years 2020 to 2023 are yet to be completed by the Oman Taxation Authorities. With regard to tax assessment for the year 2019, there were no adjustments (disallowances) to the taxable income declared by the Parent Company in the return of income filed. The assessment has been completed in line with the return of income submitted.

6 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to ordinary equity holder of the Parent Company by the weighted average number of shares outstanding during the periods as follows:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Profit for the period (RO'000) attributable to equity holders of the Parent Company	<u>2,364</u>	<u>2,089</u>	<u>7,277</u>	<u>7,858</u>
Weighted average number of shares outstanding for the period (number in thousand)	<u>650,944</u>	<u>650,944</u>	<u>650,944</u>	<u>650,944</u>
Basic and diluted earnings per share (RO)	<u>0.004</u>	<u>0.003</u>	<u>0.011</u>	<u>0.012</u>

No figure for diluted earnings per share has been presented as the Company has not issued any instruments which would have an impact on earnings per share when exercised.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

7 Property, plant and equipment

	Mobile / fixed exchange and network equipment RO ‘000	Subscriber apparatus and other equipment RO ‘000	Buildings RO ‘000	Capital work in progress RO ‘000	Total RO ‘000
<i>Cost</i>					
1 January 2024	737,228	106,195	10,137	16,977	870,537
Additions	-	-	-	33,565	33,565
Transfers	4,976	4,439	5,076	(14,491)	-
Write Off	(10,645)	(2)	-	-	(10,647)
Cost estimation adjustment	76	-	-	-	76
Reversal of impairment loss	-	157	-	-	157
30 September 2024 (unaudited)	731,635	110,789	15,213	36,051	893,688
<i>Accumulated depreciation and impairment</i>					
1 January 2024	527,643	97,325	9,220	-	634,188
Charge for the period	28,778	5,712	482	-	34,972
Write Off	(10,566)	(2)	-	-	(10,568)
Cost estimation adjustment	42	-	-	-	42
30 September 2024 (unaudited)	545,897	103,035	9,702	-	658,634
<i>Net book value 30 September 2024 (unaudited)</i>	185,738	7,754	5,511	36,051	235,054
	Mobile / fixed exchange and network equipment RO ‘000	Subscriber apparatus and other equipment RO ‘000	Buildings RO ‘000	Capital work in progress RO ‘000	Total RO ‘000
<i>Cost</i>					
1 January 2023	702,340	101,636	9,971	19,147	833,094
Transfers	36,089	5,036	166	(41,291)	-
Additions	-	-	-	39,121	39,121
Reversal of impairment loss	-	3	-	-	3
Write off	(1,201)	(480)	-	-	(1,681)
31 December 2023 (audited)	737,228	106,195	10,137	16,977	870,537
<i>Accumulated depreciation and impairment</i>					
1 January 2023	485,079	90,031	8,926	-	584,036
Charge for the year	43,823	7,774	294	-	51,891
Write Off	(1,259)	(480)	-	-	(1,739)
31 December 2023 (audited)	527,643	97,325	9,220	-	634,188
<i>Net book value 31 December 2023 (audited)</i>	209,585	8,870	917	16,977	236,349

Capital work in progress includes advances given to suppliers towards purchase of property and equipment amounting to RO 9,694,208 (31 December 2023: RO 3,897,791).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

8 Right-of-use assets

	Mobile network sites RO '000	Transmission RO '000	Retail outlets RO '000	Vehicles RO '000	Buildings and warehouses RO '000	Total RO '000
Net book value as at 1 January 2024	26,456	6,077	537	48	1,041	34,159
Additions during the period	2,153	1,211	1,122	340	833	5,659
Depreciation for the period	(4,402)	(386)	(429)	(69)	(536)	(5,822)
Expired contract for the period – cost	-	-	(1,186)	(93)	(971)	(2,250)
Expired contract for the period – depreciation	-	-	1,186	93	971	2,250
Reversal of Impairment loss	-	-	-	-	12	12
Termination contract for the period – cost	(95)	(12)	-	-	(90)	(197)
Termination contract for the period – depreciation	25	4	-	-	84	113
Modifications during the period	124	-	-	-	-	124
Net book value as at 30 September 2024 (unaudited)	24,261	6,894	1,230	319	1,344	34,048

	Mobile network sites RO'000	Transmission RO'000	Retail outlets RO'000	Vehicles RO'000	Buildings and warehouses RO'000	Total RO'000
Net book value as at 1 January 2023	29,642	6,363	662	61	1,944	38,672
Additions during the year	2,483	212	291	93	-	3,079
Amortisation for the year	(5,520)	(498)	(414)	(106)	(798)	(7,336)
Expired contract for the year – cost	(8)	-	(666)	(479)	-	(1,153)
Expired contract for the year – depreciation	8	-	666	479	-	1,153
Reversal of Impairment loss	-	-	-	-	32	32
Termination contract for the year – cost	(381)	-	(19)	-	(137)	(537)
Termination contract for the year – depreciation	183	-	17	-	-	200
Modifications during the year	49	-	-	-	-	49
Net book value as at 31 December 2023 (audited)	26,456	6,077	537	48	1,041	34,159

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

9 Licences

	Mobile licence RO'000	Fixed line licence RO'000	Total RO'000
<i>Cost</i>			
Balance at 1 January 2024	135,137	21,847	156,984
Additions during the period	2,893	-	2,893
Balance at 30 September 2024 (unaudited)	138,030	21,847	159,877
<i>Amortisation</i>			
Balance at 1 January 2024	73,798	12,892	86,690
Amortisation during the period	4,251	639	4,890
Balance at 30 September 2024 (unaudited)	78,049	13,531	91,580
<i>Net book value</i>			
At 30 September 2024 (unaudited)	59,981	8,316	68,297

	Mobile licence RO'000	Fixed line licence RO'000	Total RO'000
<i>Cost</i>			
Balance at 1 January 2023 (audited)	135,137	21,847	156,984
<i>Amortisation</i>			
Balance at 1 January 2023	68,250	12,041	80,291
Amortisation during the year	5,548	851	6,399
Balance at 31 December 2023 (audited)	73,798	12,892	86,690
<i>Net book value</i>			
At 31 December 2023 (audited)	61,339	8,955	70,294

9.1 Licences represent the amount paid to the Telecommunication Regulatory Authority (TRA) of the Sultanate of Oman for obtaining the licence to operate as fixed and mobile telecommunication service provider. Licences are stated at cost less accumulated amortisation and impairment losses.

As disclosed in note 1, by the issuance of Royal Decree No. 3/2020 in February 2020, the Company's mobile licence has been renewed for another period of 15 years starting from 19 February 2020. The renewal fees are RO 75,000,000 and the last instalment of this fees (RO 12,500,000) was paid in January 2023.

In accordance with the terms of the mobile and fixed line licences, granted to the Company, royalty is payable to the Government of the Sultanate of Oman based on 12% (2023: 12%) for the mobile licence and 10% (2023: 10%) for the fixed licence. These rates are to be applied on the net of predefined sources of revenue and expenses as per the TRA guidelines and the latest guidelines was issued on 29 December 2020.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

9A Other intangible assets

	Cable capacity RO'000	Software RO'000	Total RO'000
<i>Cost</i>			
At 1 January 2024	12,312	29,713	42,025
Additions	169	4,016	4,185
At 30 September 2024 (unaudited)	12,481	33,729	46,210
<i>Amortisation</i>			
At 1 January 2024	2,431	24,859	27,290
Amortisation during the period	660	2,997	3,657
At 30 September 2024 (unaudited)	3,091	27,856	30,947
<i>Net book value</i>			
At 30 September 2024 (unaudited)	9,390	5,873	15,263

	Cable capacity RO'000	Software RO'000	Total RO'000
<i>Cost</i>			
At 1 January 2023	11,148	24,930	36,078
Additions	1,164	4,783	5,947
At 31 December 2023 (audited)	12,312	29,713	42,025
<i>Amortisation</i>			
At 1 January 2023	1,674	21,156	22,830
Amortisation during the period	757	3,703	4,460
At 31 December 2023 (audited)	2,431	24,859	27,290
<i>Net book value</i>			
At 31 December 2023 (audited)	9,881	4,854	14,735

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

10 Loans and borrowings

	30 September 2024 (Unaudited) RO'000	31 December 2023 (Audited) RO'000
Long-term loan (note 10.1)	198	338
Short-term loan (note 10.2)	15,416	14,036
	15,614	14,374

10.1 Long-term loan is obtained by subsidiary company, Duqm Data Centre SAOC, from a commercial bank at interest rate of 6.5% per annum and is repayable in 15 equal quarterly instalments.

The term loan is secured against the negative lien on all assets of the subsidiary company amounting to RO 1,957,649.

10.2 As of 30 September 2024, the Group has available funds for drawdown of RO 79.8 million (31 December 2023: RO 71.287 million) with short term facilities maturing in November 2024 and October 2026. The facilities are unsecured and carry an effective interest rates of fixed deposit rate + 1.75%.

The Group has complied with all the financial covenants of its borrowing facilities which relate to 'Debt to EBITDA' and 'Interest coverage' ratios as at 30 September 2024 and 31 December 2023. The Group expects to comply with the covenants for at least 12 months after the reporting date.

11 Lease liabilities

	30 September 2024 (Unaudited) RO'000	31 December 2023 (Audited) RO'000
Maturity analysis - contractual undiscounted cash flow		
Less than one year	11,291	10,146
One to five years	18,160	20,722
More than five years	15,206	15,116
Total undiscounted lease liabilities at period / year end	44,657	45,984
Lease liabilities included in the statement of financial position at the period/ year end		
Current	9,545	8,312
Non-current	26,519	28,901
Total lease liabilities	36,064	37,213

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

12 Employee benefits

	30 September 2024 (Unaudited) RO'000	31 December 2023 (Audited) RO'000
Employees' end of service benefits	1,880	2,095
Cash settled share-based payments	757	689
Total employee benefits as at the end of the period/year	2,637	2,784
Less: current liability for cash settled share-based payments	(757)	(689)
Non-current liability as at the end of the period/year	1,880	2,095

13 Government grant

	30 September 2024 (Unaudited) RO'000	31 December 2023 (Audited) RO'000
At 1 January	-	-
Recognised during the period / year – Asset acquisition	1,881	-
Offset against asset during the period / year	-	-
At 30 September / 31 December	1,881	-
Non-current	1,881	-
Current	-	-
	1,881	-

The Company received a conditional waiver of 3% of fixed line royalty from the Telecommunication Regulatory Authority (TRA) for the years 2022 to 2024.

For the waiver relating to year 2022, the Company is required to invest in specific sites agreed upon with the TRA. The Company has entered into an agreement with a third party ("Contractor") to complete the work associated with this grant. The grant's conditions require that the work be completed within 12 months of the agreement with the Contractor and that 20% of the project work be performed by small and medium-sized enterprises (SMEs). During the current period, the Company had reasonable assurance that the specified conditions will be met and has accordingly recognized the amount relating to year 2022 as deferred government grant and will offset against the carrying amount of the related assets when they become available for use and the corresponding impact has been recorded in trade and other receivables.

The amount relating to years 2023 and 2024 have not been recognized as the conditions for these years are still in the process of finalization with the TRA.

14 Dividend

The Directors proposed a dividend of baiza 14.7 per share for year ended 31 December 2023 amounting to RO 9.569 million. This was approved by the Company's shareholders at the Annual General Meeting held on 19 March 2024, and was paid in March 2024.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

15 Related party transactions

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions. Pricing policies and the terms of these transactions are approved by the Group's management.

Details regarding transactions with the related parties included in the financial statements are set out below:

	<i>Three-month period ended</i>	
	30 September 2024 (Unaudited) RO'000	30 September 2023 (Unaudited) RO'000
Entities under common control		
Revenue		
Telecom revenues	843	2,395
Expenses		
Telecom costs	195	98
Service fees	1,844	1,884
Brand licence fee	918	940
Other expenses	214	113

	<i>Nine-month period ended</i>	
	30 September 2024 (Unaudited) RO'000	30 September 2023 (Unaudited) RO'000
Entities under common control		
Revenue		
Telecom revenues	5,657	8,995
Expenses / (reimbursements)		
Telecom costs	820	504
Service fee	5,610	5,759
Brand licence fee	2,799	2,876
Other expenses	323	309
Reimbursement from related party for expenses incurred	(96)	-
Purchase of intangible assets	85	85

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

15 Related party transactions (continued)

Trade payable and receivable balances with related parties included in the statement of financial position are as follows:

	30 September 2024 (Unaudited) RO'000	31 December 2023 (Audited) RO'000
Payables		
Entities under common control	<u>5,262</u>	<u>3,437</u>
	30 September 2024 (Unaudited) RO'000	31 December 2023 (Audited) RO'000
Receivables		
Entities under common control	<u>534</u>	<u>553</u>

Balances with related parties are interest free, unsecured and receivable / payable on demand.

Compensation of key management personnel

The remuneration of members of key management and directors during the periods were as follows:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	30 September 2024 (Unaudited) RO'000	30 September 2023 (Unaudited) RO'000	30 September 2024 (Unaudited) RO'000	30 September 2023 (Unaudited) RO'000
Salaries / remuneration and benefits	428	617	1,220	1,209
Share-based payments	51	59	163	122
Directors' remuneration	42	4	122	8
Employees' end of service benefits	6	2	11	10
	<u>527</u>	<u>682</u>	<u>1,516</u>	<u>1,349</u>

16 Capital commitments

	30 September 2024 (Unaudited) RO'000	31 December 2023 (Audited) RO'000
Capital commitments		
Estimated capital expenditure contracted for at the reporting date but not provided for:		
Property, plant and equipment	<u>14,516</u>	<u>10,040</u>

17 Contingent liabilities

Guarantees

At 30 September 2024, the Group had contingent liabilities in respect of Standby Letter of Credit amounting to RO 2,503,150 (31 December 2023: RO 2,503,150) and performance bonds amounting to RO 462,241 (31 December 2023: RO 435,163). It is anticipated that no material liabilities are expected to arise from these.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

18 Segment information

Information regarding the Group's operating segments is set out below in accordance with the IFRS 8 – Operating Segments.

Segment revenue that are reported to the Group's Chief Operating Decision Maker ("CODM"), which is the Board of Directors, include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

For management purpose, the Group is organised into business units based on their product and services and has two reportable operating segments as follows:

1. Operation of Global System for Mobile Communication (GSM) for prepaid and post-paid services, sale of telecommunication equipment and other associated services i.e. mobile segment.
2. Provision of international and national voice and data services from fixed line, sale of telecommunication equipment and other associated services i.e. fixed line segment.

Management monitors the revenue of its business for the purpose of making decisions about resource allocation and performance assessment.

Segment revenue

Segment information represents only revenue by each segment, as revenue is the only specific segmental information regularly provided to the chief operating decision maker.

The Parent Company commenced its fixed line services in May 2010 and its operations are mainly confined to the Sultanate of Oman.

Segmental revenue for the three-month period ended 30 September 2024 (unaudited) are as follows:

	Mobile RO'000	Fixed line RO'000	Total RO'000
Revenue			
External sales	44,178	17,879	62,057
Total revenue	44,178	17,879	62,057

Segmental revenue for the three-month period ended 30 September 2023 (unaudited) are as follows:

	Mobile RO'000	Fixed line RO'000	Total RO'000
Revenue			
External sales	45,681	17,529	63,210
Total revenue	45,681	17,529	63,210

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED) (continued)**

18 Segment information (continued)

Segmental revenue for the nine-month period ended 30 September 2024 (unaudited) are as follows:

	Mobile RO'000	Fixed line RO'000	Total RO'000
Revenue			
External sales	<u>133,507</u>	<u>55,098</u>	<u>188,605</u>
Total revenue	<u>133,507</u>	<u>55,098</u>	<u>188,605</u>

Segmental revenue for the nine-month period ended 30 September 2023 (unaudited) are as follows:

	Mobile RO'000	Fixed line RO'000	Total RO'000
Revenue			
External sales	<u>139,171</u>	<u>53,915</u>	<u>193,086</u>
Total revenue	<u>139,171</u>	<u>53,915</u>	<u>193,086</u>