

Board of Directors' Report**A Commitment to Innovation and Excellence**

Dear Shareholders,

It is my great privilege, on behalf of the Board of Directors, to present Ooredoo Oman's 2024 financial report. Throughout the year, we have seen a journey of resilience, innovation, and transformation—a journey we embarked on together with a shared purpose to empower lives and connect the future.

Guided by Oman's Vision 2040, we navigated a dynamic year in the fast-changing telecommunications landscape. The government's efforts to strengthen the economy, by reducing national debt, attracting foreign investment, and fostering private sector growth, have created opportunities for businesses like ours to thrive. It is a truly exciting time to be part of Oman's growth story, and I am proud of how Ooredoo has risen to meet the moment.

The telecoms market in Oman has been shaped by heightened competition, with new players raising the stakes. Despite these challenges, we have remained steadfast in delivering innovative, customer-centric solutions that set us apart. Our commitment to excellence has been resolute, even as we navigate a complex landscape influenced by global and regional economic shifts.

Our focus has translated into a resilient financial performance. In 2024, we achieved a gross consolidated revenue of OMR 251.49 million (2023: OMR 259.11 million), resulting in a net profit, after tax, of OMR 11.85 million (2023: OMR 10.76 million). These results highlight the robustness of our business model and the exceptional efforts of our team. In recognition of this performance, the Board will recommend a dividend of 11.53 Baisas per share (2023: 14.7 Baisas), reflecting a yield of 5% as of the year's end.

Our achievements in 2024 have been significant. The expansion of our 5G network stands out as a transformational milestone, delivering faster speeds and enhanced connectivity to communities across Oman. It's not just about faster internet, it's about enabling smart cities, IoT applications, and creating a foundation for digital innovation that touches lives and businesses alike.

We also successfully launched operations in our new data centres in Salalah, Sohar, and Barka. These state-of-the-art facilities represent our commitment to empowering local businesses with world-class cloud, data recovery, and

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Board of Directors' Report - Page 1

cybersecurity solutions. They reinforce Oman's position as a regional hub for technological advancement.

At the heart of all we do is our customers. In 2024, we made great strides in enhancing their experiences. Our App, now with over 1.2 million downloads, continues to make connectivity easier and more enjoyable. From introducing a call centre dedicated to hearing-impaired customers to engaging campaigns like 'Win and Home' and 'Win Gold,' we have worked hard to ensure our services are inclusive, rewarding, and meaningful.

A customer experience mindset begins within the company, and in 2024 we launched the Ooredoo Academy to boost performance, support career growth, and align employee skills with our strategic goals. By implementing advanced learning methods, it will empower our teams to deliver exceptional customer service, ensuring a superior customer experience across every touchpoint.

As we look ahead to 2025, we see tremendous opportunities to grow and innovate. We're particularly excited about extending our 5G footprint, rolling out IoT initiatives, and enhancing customer experiences with hyper-personalised services powered by AI and advanced analytics. We also plan to launch initiatives like 'Try and Buy' offers for fixed services, giving potential customers the chance to experience our offerings before committing.

In a market as competitive as ours, we know that adaptability and agility are key. That's why we're committed to always exceeding customer expectations. Whether through smarter connectivity solutions, enhanced network coverage, or deeper engagement with the communities we serve, Ooredoo will continue to lead with a forward-thinking approach.

As we step into a new year, we do so with optimism and a shared commitment to excellence. Guided by our mission to 'Upgrade Your World', we will continue to innovate, inspire, and connect, ensuring Ooredoo remains a leader in Oman's telecommunications landscape.

I want to take a moment to thank our shareholders, customers, employees, and partners, for your ongoing support. It is your trust, loyalty, and dedication that drive us forward. Together, we have built an organisation that is not just future-proof but future-focused, ready to embrace the opportunities that lie ahead.

In addition, I extend a thank you to the Ministry of Transport, Communications and Information Technology, the TRA, the Financial Services Authority (FSA), and the Muscat Stock Exchange (MSX) for their continued support and guidance.

Finally, I sincerely thank His Majesty Sultan Haitham bin Tarik for his wisdom and vision. We remain committed to driving Oman's extraordinary journey of sustained progress and growth.

Thank you for being part of this incredible journey.

Sheikh Mohammed Bin Abdulla Bin Mohammed Al Thani
Chairman
Ooredoo Oman

Management Review

Strengthening Our Market Position

In 2024, we demonstrated resilience and steady performance amidst intensifying competition and evolving customer demands. The telecommunications market continues to shift, with new entrants increasing competitive pressure. Despite these challenges, our strategic focus on connectivity, innovation, and customer-centric solutions enabled us to maintain a strong market presence.

Our mobile customer market share stood at 33.4% as of December 2024, reflecting a slight decrease of 1.9% YoY. In the fixed broadband sector, we retained 27.6% market share, driven by the continued growth and rising competition of fibre broadband, which increased by 12.9% YoY to close at 50.8K customers. Similarly, 5G broadband services saw strong demand, rising by 4.7% YoY to reach 77.9K customers, highlighting the appetite for high-speed, reliable connectivity across Oman.

This reinforces our commitment to bridging the digital divide and enhancing connectivity nationwide with a global presence to cater national, regional and transit capacity sales. By investing in next-generation infrastructure, including expanded 5G networks, fixed solutions and signing of 2 OTN vendors to cater to the demands of AI and hyperscalers, we continue to strengthen our position as a market leader and a key enabler of Oman's Vision 2040.

2024 in Review

Upgrade the Future, Where Innovation Meets Excellence

2024 was a year of growth, resilience, and transformation for Ooredoo. With Oman's Vision 2040 as our guiding principle, we embraced a dynamic landscape, delivering innovative solutions, strengthening connectivity, and empowering communities across the Sultanate.

Amid intensifying competition and evolving customer needs, we expanded our nationwide 5G network, upgraded our App and rolled out a host of products, services, promotions and rewards; initiatives that brought our customers closer to what matters most. These achievements reflect our enduring focus on enriching lives and building a future-ready Oman.

At the heart of our progress lies our commitment to people. Whether through upgrading our App for seamless digital experiences, introducing a call centre dedicated to hearing-impaired customers, or launching campaigns like 'Win Gold' and "Win a Home" for our Hala prepaid customers, we endeavoured to create meaningful connections and a sense of belonging for every customer.

Our postpaid customers enjoyed a complete revamp of our Shahry plans to give even more value and choice. And for our Home Internet users, there was a popular double-speed promotion and an upgrade of our portfolio overall to give everyone faster speeds and a whole new online experience. The year saw a host of promotions for special events, such as Hajj, Khareef Salalah, Ramadan and the much-loved National Day, to ensure customers stayed connected and on the front-line of fun and sharing.

Adding to these efforts, we sponsored a number of events throughout the year, playing a pivotal role in engaging communities and celebrating key moments. This kicked off with Oman's largest sports event, the Muscat Marathon, attracting 14,000 participants and nearly 50,000 attendees over two days. During Ramadan, we brought communities together through the Tawasel football tournament, which achieved a remarkable 15 million reach on social media, and continued our long-standing support for the Al Dhareez and Nizwa football tournaments, which drew tens of thousands of attendees across the Dhofar and Al Dhakhiliya regions.

Our role as the main sponsor of Khareef Salalah 2024 further highlighted our commitment to Oman's cultural and social fabric. This iconic summer event featured six weeks of weekend activities, drawing close to 10,000 attendees, alongside the Gaming Village and Salalah Eat, which attracted an estimated 15,000 and 10,000 visitors, respectively. Additionally, we supported the annual and high-profile Ministry of Labour forum in Salalah, held under the patronage of His Highness the Governor of Dhofar.

Through these initiatives and more, we reinforced our role as a leader in Oman’s digital and community transformation, ensuring 2024 was a year of progress, engagement, and lasting impact.

Enhancing the Customer Experience

Alongside a number of events to engage and involve our customers, in 2024, we reaffirmed our commitment to delivering a seamless, engaging, and personalised experience through a series of customer-focused telecoms initiatives. These efforts demonstrate our dedication to not only enhancing satisfaction but also rebuilding trust and strengthening connections across all touchpoints.

Central to this was the launch of a WhatsApp channel, which offered customers a convenient way to access information, make enquiries, and chat with support agents. Complementing this was the enhancement of the tourist SIM activation journey, enabling visitors to self-activate SIM cards and enjoy a smoother, more welcoming experience in Oman.

Our Voice of the Customer (VoC) programme further supported these initiatives by capturing feedback from award-winning touchpoints, including our call centre, the multi-award-winning Ooredoo App, and in-store experiences. This valuable input allowed us to continuously refine our services, with notable improvements like the integration of Apple Pay and Samsung Pay to simplify and enhance the digital journey.

Building on these efforts, campaigns such as ‘Win Gold’ and regional promotions like Khareef Dhofar created excitement and rewarded loyal customers. Meanwhile, our expanded Hala prepaid services and enhanced Shahry postpaid packages, offering world roaming and data specials, exemplified our customer-centric approach to meeting diverse and evolving needs.

In our third annual Customer Day, senior leadership engaged directly with customers across Oman, gathering meaningful insights to guide future improvements.

These efforts reflect our commitment to delivering a frictionless and differentiated customer experience. As we look ahead, we will continue to leverage data insights, emerging technologies, and customer feedback to create innovative solutions that enrich lives and build lasting connections.

Building Oman's 5G Infrastructure

In 2024, Ooredoo achieved significant milestones in 5G deployment and infrastructure development, cementing its role as a leader in driving Oman's digital future. By year-end, our 5G network extended to over 79% of Oman's population, including underserved areas. This expansion enables customers across the Sultanate to experience higher speeds, lower latency, and greater capacity, unlocking opportunities for individuals, businesses, and communities. The growth in 5G broadband services, which increased by 4.7% YoY to 77.9K customers, reflects the rising demand for next-generation technologies and our dedication to meeting this need.

To support this growing demand, we prioritised expanding 5G coverage as well as boosting capacity on existing sites where high demand is reported, particularly for fixed wireless solutions. These efforts are critical in enabling transformative technologies like IoT, AI, smart city applications, and fintech, which are essential to Oman's digital empowerment.

Complementing our 5G advancements was the operational launch of three Tier 3 data centres in Barka, Sohar, and Salalah. These state-of-the-art facilities offer world-class cloud storage, disaster recovery, and cybersecurity services, supporting local businesses and Oman's rapidly growing digital ecosystem. As landing points for the 2Africa subsea cable, these centres also strengthen Oman's position as a regional data hub, connecting Africa, Asia, and Europe.

Our investments in 5G and advanced infrastructure align with Oman's Vision 2040, fostering innovation, socio-economic growth, and a resilient digital economy. By building the backbone of a digitally enabled society, Ooredoo is unlocking new possibilities for growth and progress across the country.

Driving Digital Transformation

Digital transformation is at the core of Ooredoo’s strategy, enabling us to deliver seamless, innovative, and customer-centric experiences. In 2024, we achieved key milestones that enhanced our operational efficiency and elevated customer engagement.

One of the highlights of the year was the optimisation of digital billing systems and the rollout of enhanced eShop offerings, improving backend processes and streamlining service delivery. The Ooredoo App remained central to our digital transformation efforts, empowering customers with faster, easier access to services. Enhancements such as Apple Pay and Samsung Pay integration added convenience for payments, while the automation of ID card expiry processes simplified customer journeys, reflecting our commitment to user-friendly and seamless interactions.

A significant launch announcement this year was the introduction of walletti by Ooredoo Fintech International (OFTI), a wholly owned subsidiary of Ooredoo Group. Announced at COMEX, this digital mobile wallet redefines how customers make payments and access financial services. The secure and user-friendly interface complements Ooredoo’s goal of integrating digital innovation into everyday customer experiences, offering unparalleled convenience and reliability.

Our focus in 2024 also included improving customer onboarding and support. The launch of a WhatsApp support channel and digital onboarding for Home Internet access demonstrated our ability to adapt to evolving customer habits and preferences.

As we look to 2025, our focus remains on advancing hyper-personalisation, leveraging AI-powered analytics, and delivering integrated digital solutions. These efforts will unlock greater value for our customers, enhance engagement, and reinforce our role as a leader in Oman’s ongoing digital evolution.

Empowering Businesses Through B2B and ICT

In 2024, Ooredoo strengthened its position as a trusted partner for businesses of all sizes with key launches, such as the enhancement of our Maktabi office-in-a-box solution with Trend Micro security and 5G SIP Voice, enabled businesses to improve efficiency and stay connected. We expanded our offerings through partnerships with industry leaders like CISCO, Huawei, and Hikvision, supporting SMEs and enterprises with managed services, interactive screens, and hardware solutions.

Ooredoo also played a pivotal role in digital transformation projects, delivering communication solutions for key government and private sector initiatives. By introducing IoT platforms for smart utilities and connected vehicles, we reinforced our position as an enabler of innovation and growth.

We continued to invest in our network to cater to growing wholesale demand, using Oman's strategic geolocation as regional connectivity hub to land more cable systems, build state of the art data centres, and upgrade transmission networks to next generation AI and higher capacity networks.

As we look ahead, we will continue to empower businesses, national and international operators with reliable, future-ready solutions that drive productivity, agility, and success in an increasingly digital world.

Building Strategic Partnerships

Strategic partnerships have been instrumental in driving growth and innovation in 2024. Ooredoo worked closely with global leaders and government entities to deliver advanced solutions that address market needs and unlock new opportunities.

We strengthened collaborations with key players such as CISCO, Huawei, and Trend Micro, enhancing our ICT offerings and cybersecurity services for businesses. Strategic agreements with government bodies, including the Ministry of Labour and South Al Batinah Governorate, delivered advanced communication technologies that support Oman's digital transformation goals.

On a global scale, our focus to strengthen our presence in the wholesale domain by participating in subsea cable landing initiatives, such as the 2Africa and other major subsea cable projects, highlights Oman's growing importance as a regional connectivity hub and, more importantly, this is paying dividends. Ooredoo was able to sign long term wholesale contracts on capacity and collocation at its data centres and cable landing stations. We also signed a 2nd OTN vendors to cater the capacity demands arising from AI demand and hyperscalers.

These partnerships reflect Ooredoo's commitment to fostering innovation, strengthening local businesses, leveraging the network to grow wholesale revenues through local, international and hyperscalers operators to contribute to Oman's economic growth and foster a fast digital economy.

Empowering Talent Growth and Development

At Ooredoo, our people are the driving force behind our success. During a busy year, we continued to prioritise employee development, well-being, and engagement to foster a dynamic and skilled workforce equipped for the demands of a digital-first economy.

We launched the Ooredoo Academy, a first of its kind for Ooredoo, to boost performance, support career growth, and align employee capabilities with our strategic goals. The Academy is built upon three core pillars: training, to enhance skills and knowledge; assessment, to evaluate and guide employee development; and an innovation hub, to foster creativity and forward-thinking solutions that drive our success in evolving telecom sector.

In line with Ooredoo's initiatives and commitment to supporting Oman Vision 2040, we partnered with local universities, colleges, and national programs to foster continuous learning and development of graduates.

Our courses and upskilling included providing employees with technical and soft skills training tailored to emerging industry needs. And key programmes, such as Qadaa and Ta'alaq, created structured pathways for employees to enhance their capabilities and advance their careers. Additionally, the "Unleash Your Potential" initiative powered up our targeted growth strategy to empower our people to thrive within the organisation.

Our focus on continuous learning saw 873 LinkedIn courses completed, while over 500 training sessions were conducted both in Oman and internationally, ensuring employees have access to world-class development resources. These efforts reflect our commitment to equipping our workforce with tools to meet evolving challenges and drive innovation.

Employee well-being remained a cornerstone of our strategy. We introduced initiatives like flexible working hours, Happy Thursdays, and sports tournaments to promote work-life balance and build camaraderie among teams. Enhanced benefits, such as increased fibre speeds and upgraded medical coverage, further reinforced our dedication to supporting our employees' physical and mental health.

Alongside this, engagement and inclusion are always a priority for our family members. Our quarterly Buzz sessions allow employees to stay up to date with strategy, align on goals and celebrate achievements, fostering a culture of transparency and collaboration and inclusivity, including those with special needs. These initiatives reflect our commitment to building a workplace where every team member feels valued, inspired, and ready to contribute.

Empowering Communities, Championing Sustainability

Sustainability is a hot topic and one which we remain committed to, alongside community empowerment; delivering impactful initiatives that address health, education, and environmental needs across the Sultanate.

Part of this is our flagship Goodwill Journey, which celebrated its 20th year, and the known and loved initiative saw Ooredoo volunteers travelling across Oman, supporting diverse community projects. This included the Ashjar initiative, which planted over 1,000 trees, contributing to Oman's environmental sustainability efforts.

Additionally, the Smart Hydroponics project in Bahla empowered women by introducing innovative farming techniques that promote resource efficiency and sustainability.

Tied in with community empowerment is education; part of our social investment strategy. Programmes such as Springboard and SpringForward provided over 160 individuals with the skills and tools needed to thrive in a rapidly evolving digital economy. These initiatives were complemented by our ongoing support for women’s entrepreneurship through the Ooredoo Women’s Incubator Programme. The seventh edition of the Ooredoo Women’s Incubator Forum introduced the “Upgrade Your Incubator” competition, showcasing entrepreneurial projects that drive positive change through technology and innovation.

Health awareness was another key focus area. In partnership with the Oman Cancer Association, we facilitated free mammogram screenings and hosted sessions to promote preventive healthcare, empowering women with the knowledge and resources to prioritise their well-being.

These, among many other initiatives undertaken during a packed year, reflect Ooredoo’s dedication to creating a long-lasting, positive impact.

A Year of Recognition

2024 was a year of outstanding achievement for Ooredoo, as our efforts in technology innovation, digital transformation, and customer experience were celebrated with numerous prestigious awards.

Key among these were becoming Oman’s most trusted telecoms brand for the third year in a row at the Oman’s Most Trusted Brand awards. Reinforcing this, was also winning Most Trusted Telecommunications Brand Oman 2024 at the regional Business Tabloid Awards, celebrating our ability to consistently deliver reliable services and build customer trust through engaging campaigns and exceptional network performance.

We were awarded Technology Breakthrough of the Year at the Stevie Awards for Technology Excellence awarded for the launch of Walletti. Our teams took home Best Cloud Solutions Provider of the Year at the Middle East Technology Excellence Awards recognising the operational launch of Ooredoo’s three Tier 3 data centres in

Barka, Sohar, and Salalah, and our cutting-edge cloud storage, disaster recovery, and cybersecurity solutions. We were recognised for Customer Experience Leadership at the Middle East National Business Awards, acknowledging enhancements to the Ooredoo App, the launch of our WhatsApp support channel, and initiatives like the tourist SIM activation journey, which collectively redefine customer engagement.

In total we took home 18 local, regional and international awards across corporate, CX, Technology and CSR, our highest number ever.

Looking Ahead to 2025

As we move into 2025, Ooredoo remains resolute in its mission to "Upgrade Your World" by driving innovation, enhancing customer experiences, and supporting Oman's digital transformation in alignment with Vision 2040. In an increasingly competitive market, we are committed to delivering advanced, future-ready solutions that empower individuals, businesses, and communities across the Sultanate.

Expanding our 5G footprint will be a top priority, as we work to extend connectivity and enhance capacity at existing sites to meet the growing demand. This will lay the foundation for next-generation services, enabling applications in smart utilities, logistics, and connected vehicles to accelerate Oman's shift toward a digitally empowered economy.

Infrastructure development will also play a pivotal role in our strategy. The operational launch of Tier 3 data centres in Barka, Sohar, and Salalah has positioned Oman as a regional connectivity hub, and we are proud to be playing a major role in this global expansion.

By investing in cutting-edge technology, people, and infrastructure, Ooredoo supports Oman's socio-economic growth by shaping a sustainable and inclusive future. With a clear vision and a commitment to excellence, we are proud to play a leading role in establishing Oman as a beacon of digital innovation in the region.



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Private and confidential
Our ref: aud/mc/am/19583/25

Agreed-upon procedures on Code of Corporate Governance ("the Code") of Omani Qatari Telecommunication Company SAOG

To the Board of Directors of Omani Qatari Telecommunication Company SAOG

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting the Omani Qatari Telecommunication Company SAOG for submission of agreed upon procedures report on the compliance with the Code of Corporate Governance (the "Code") to the Financial Services Authority ("FSA") (formerly the Capital Market Authority) to assist in compliance of requirements prescribed in the FSA Circular No. E/10/2016 dated 1 December 2016 (together the "Governance Code") and may not be suitable for another purpose. This report is intended solely for the Omani Qatari Telecommunication Company SAOG and the intended users and should not be used by, or distributed to, any other parties.

Responsibilities of the Omani Qatari Telecommunication Company SAOG

The Board of Directors has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Management of Omani Qatari Telecommunication Company SAOG is responsible for the accuracy and completeness of the subject matter on which the agreed-upon procedures are performed.

Practitioners' Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with Omani Qatari Telecommunication Company SAOG, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.



Practitioners' Responsibilities (continued)

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Management

We have complied with the relevant ethical requirements including independence requirements of International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethical Standards Board for Accountants.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with Omani Qatari Telecommunication Company SAOG in the terms of engagement dated 31 July 2023 (as amended on 25 November 2024), on the compliance with the Code:

S. No	Procedures	Findings
(a)	We checked that the corporate governance report (the report) issued by the Board of Directors includes as a minimum, all items suggested by FSA to be covered by the report as detailed in the Annexure 3 of the Code by comparing the report with such suggested content in the Annexure 3	No exceptions noted.
(b)	We obtained the details regarding areas of non-compliance with the Code identified by the Company's Board of Directors for the year ended 31 December 2024. With respect to procedure above, we inquired from and obtained written representation from management and those charged with governance for non-compliance with the Code for the year ended 31 December 2024.	No non-compliance with the Code noted during the year.

This report relates only to the items specified above and does not extend to the Company's financial statements taken as a whole.


 KPMG LLC
 Muscat, Sultanate of Oman
 9 February 2025


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Corporate Governance Report

Corporate governance is fundamental to the long-term success, sustainability, and integrity of any organization. At Ooredoo Oman, we recognize that sound governance practices form the bedrock of a resilient business, fostering a culture of accountability, transparency, and fairness. Our governance framework ensures that the Company operates efficiently, aligns with its strategic objectives, while consistently adhering to relevant laws and regulations.

In 2024, Ooredoo Oman continued to prioritize the evolution and strengthening of its corporate governance systems, understanding that effective corporate governance is not a static goal, but a dynamic and ongoing process. As such, we continue to implement and improve a comprehensive framework consisting of robust structures, policies, and internal processes, all of which are designed to support the Company's strategic growth, while staying in line with the changing regulatory environment and external business. This framework ensures that we meet the highest standards of corporate responsibility, creating a transparent environment that empowers sound decision-making and upholds our commitments to shareholders, employees, and all other stakeholders. Our commitment to continuous improvement ensures that we are always equipped to respond to emerging challenges and opportunities, while maintaining compliance with evolving legal requirements.

The Board of Directors plays a critical role in directing the Company with integrity and foresight, steering Ooredoo Oman towards its goals. In 2024, the Board continued to adopt leading global corporate governance practices, ensuring that the Company operates in alignment with the applicable laws and best practices. This proactive approach helps in strengthening the trust and confidence of investors, regulatory bodies, the broader market and other stakeholders.

Our Corporate Governance department is pivotal in this regard, ensuring the implementation and monitoring of governance framework of structures, authorities, policies, procedures. The department ensures that the Company remains compliant with its legal and regulatory obligations, in addition to sound corporate governance principles. Throughout 2024, we continued to comply with applicable laws regulations as well as the FSA's Code of Corporate Governance.

As part of its governance compliance, Ooredoo Oman successfully convened its General Meeting in 2024 through Muscat Clearing and Depository Company's electronic platform on March 19th.

Looking ahead, Ooredoo Oman remains resolutely committed to maintaining and enhancing its corporate governance practices. We will continue to apply sound governance principles that support the long-term sustainability of the Company and create enduring value for shareholders, stakeholders, and the broader industry.

Board of Directors

The Board composition in 2024 is set out in **Table 1**.

Table 1: The composition of the Board of Directors in 2024

Name	Date of Appointment	Type of Representation*	Membership of other Ooredoo Committees	Membership of Boards of other Joint Stock Companies in Oman
Sheikh Mohammed bin Abdulla bin Mohammed Al Thani (Former Chairman of the Board of Directors) ¹	1 December 2021	Non-executive, non-independent	Nomination and Remuneration Committee	Nil
Ibrahim Said Al Riyami (Vice-Chairman of the Board of Directors)	16 August 2023	Non-executive, independent	Nil	Nil
Mr. Thani Ali Al Malki	22 April 2019	Non-executive, non-independent	Nomination and Remuneration Committee, Executive Committee, Security Committee	Nil
Mr. Said Faraj Al Rabeea	27 July 2011	Non-executive, non-independent	Nomination and Remuneration Committee, Executive Committee, Security Committee	One
Dr. Faisal Abdullah Al Farsi	20 March 2017	Non-executive, independent	Audit and Risk Committee	One
Mr. Eisa Mohammed Al-Mohannadi	1 June 2020	Non-executive, non-independent	Executive Committee, Audit and Risk Committee	Nil
Mr. Shabib Mohammed Al Darmaki	3 September 2020	Non-executive, independent	Audit and Risk Committee	One

¹ Resigned from his role as Chairman and Director of the Board of Directors effective from 12 January 2025, and Sh. Nasser bin Hamad Al Thani was appointed as a temporary Director and Chairman effective from 16 January 2025

Mr. Hussein Abdullah Al Haddad	16 August 2023	Non-executive, independent	Nil	Nil
Mr. Saim Yaksan	13 March 2023	Non-executive, non-independent	Nil	Nil

*** Definition of Independent Director**

An independent director must be honest and morally upright, and not related materially, economically, or financially to the company, any of its subsidiaries or associates, or entities held or owned by the company, to the extent permitted by the provisions below. A director is not deemed independent in any of the following cases:

- (a) holding 10% or more of the company shares, its parent company, or any of its subsidiary or associate companies;
- (b) if he/she acted, during the two years preceding the candidacy, as senior executive of the company, its parent company, or any of its subsidiary or associate companies;
- (c) being a first degree relative of any of the directors of the company, its parent company, or any of its subsidiary or associate companies and key members of the management of the company or parent company or subsidiary or associate company;
- (d) being a director of the parent company or any of the subsidiary or associate companies of the company to which he stands as candidate;
- (e) being, during the two years preceding the candidacy, an employee of any of the parties contracted with the company (including external auditors, suppliers, and civil societies who receive support exceeding 25% of the annual budget of such societies;
- (f) holding 20% of the shares of any of the contracted parties referred to in (e) above.

Further information on Board members:**Board of Directors****Sheikh Mohammed Bin Abdulla Al Thani²****Former Chairman**

Sheikh Mohammed Bin Abdulla Al Thani was appointed Ooredoo's Deputy Group Chief Executive Officer in March 2020.

From 2020 to 2023, Sheikh Mohammed also served as Chief Executive Officer of Ooredoo Qatar, where he successfully navigated the challenges of the pandemic and led the company to unprecedented achievements, including Ooredoo's record-breaking performance during the FIFA World Cup Qatar 2022™.

With extensive experience in communications, digital transformation, finance, and accounting, Sheikh Mohammed has held various management positions within Ooredoo since joining the company in 2009.

Until November 2024, Sheikh Mohammed was the Chairman of the Board of Directors of Ooredoo Oman, during which he provided strategic oversight and contributed to the company's continued success. He also served as the Chairman of the Board of Directors of Ooredoo Kuwait and Vice Chairman of the Board of Asiacell Iraq. His leadership journey includes roles such as CEO of Ooredoo Kuwait and President Commissioner of Indosat Ooredoo, where he achieved significant milestones. Sheikh Mohammed also chaired the Nomination and Remuneration Committee during his tenure with Ooredoo Oman.

In November 2024, Sheikh Mohammed was appointed as Qatar's Minister of Transport, reflecting his exceptional leadership and strategic vision.

He holds a Master's degree in Finance and Accounting from the University of Cardiff, UK, and a Bachelor's degree in Accounting from Qatar University.

Mr. Ibrahim Said Al Riyami**Vice-Chairman**

Mr. Ibrahim Said Al Riyami held the position of Diplomat (Ambassador rank) at the Omani Embassy in Washington DC until the year 2021. He previously held different senior positions in the government sector in the fields of administration and finance, human resources development, IT and communications department and foreign relations. Mr. Ibrahim was also First Secretary at the Sultanate's embassy in the United Kingdom and the Chairman of the Board of Trustees of Al Sahwa Schools. Mr. Ibrahim was previously the Chairman of Oman 70 Holding Company.

He holds a degree of Bachelors of Art in Public Administration from Seattle University in the USA, and a Master of Arts in Diplomatic Studies from the University of Westminster in the UK.

He is also a certified Business Consultant Coach.

² Resigned from his role as Chairman and Director of the Board of Directors effective from 12 January 2025, and Sh. Nasser bin Hamad Al Thani was appointed as a temporary Director and Chairman effective from 16 January 2025

Mr. Thani Ali Al Malki**Director**

Mr. Thani Ali Al Malki joined the Ooredoo Oman Board in 2019, and is the Chairman of the Security Committee and Vice-Chairman of the Nomination and Remuneration Committee.³

Mr. Thani is currently the Chief Business Officer at Ooredoo Qatar since January 2023, after being Executive Director Business at Ooredoo Qatar, responsible for end-to-end profit and loss for the company's B2B portfolio, including connectivity, ICT and mega projects.

Previously, Mr. Al Malki was Ooredoo Qatar's Head of Radio Network, achieving great success and launching the first 5G network in Qatar, while leading the Active Division Team at the company.

Prior to that, he worked at Es'hailSat - a Qatar-based satellite company - as part of their project management office in Palo Alto California, where he contributed to the manufacture and successful launch of the first satellite for Qatar.

Having a strong understanding of business telecom systems, which he gained during his time at British Telecom, as well as extensive expertise in IT infrastructure working with Barwa Media Company, Mr. Al Malki brings a wealth of experience to the Board.

He holds a B.S. in Electronics & Communication Engineering from the University of Leeds, UK.

Mr. Said Faraj Al Rabeea**Director**

Mr. Al Rabeea joined the Ooredoo Oman Board in 2011. He has worked in the government sector for more than 37 years, during which time he has held a number of senior positions in human resources, information technology and telecommunications. He is currently the Chairman of the Board of Directors of Duqm Data Centre and has a Bachelor's Degree in Arts. He is the Vice-Chairman of the Executive Committee.

Dr. Faisal Abdullah Al Farsi**Director**

Dr. Faisal Al Farsi is currently the CEO of the Social Protection Fund in Oman, and previously held the position of General Manager of the Public Authority for Social Insurance. He has been a board member of several banks and General Public Joint Stock Companies.

He holds a bachelor's degree in Public Administration, a Master's Degree in International Business Law, and a PhD in Business and Commercial Law. He is a graduate of the first batch of the Public Policy and Strategic Planning Program in the Royal Academy of Management. Dr. Faisal is the Chairman of the Audit and Risk Committee.

Mr. Eisa Mohammed Al Mohannadi**Director**

Mr. Eisa Al Mohannadi joined the Ooredoo Oman Board as a Director in June 2020, and currently serves as Chief Financial Officer in Ooredoo Qatar, where he has held a number of positions since 2012. Mr. Al Mohannadi was also in charge of multiple senior positions in the field of Banking services, Risk Management, Revenue Assurance and public administration.

Mr. Al Mohannadi holds a Bachelor degree in Business Administration from Marymount University in the United States of America. He also holds a Master degree in Digital Transformation from HEC PARIS.

Mr. Al Mohannadi is the Chairman of the Executive Committee.

³ Appointed as Vice-Chairman of the Nomination and Remuneration Committee on the 11th of February 2024

Mr. Shabib Mohammed Al Darmaki**Director**

Mr. Shabib Mohammed Al Darmaki joined Ooredoo Oman Board in September 2020. He previously held the position of Director – General of the Civil Service Employees’ Pension Fund. He also holds board membership in several public joint stock companies, in the fields of business and Islamic banking services. Mr. Shabib Al Darmaki holds a Master’s Degree in Accounting from Oklahoma City University in the United States of America and a Bachelor’s Degree in Business Management from Helwan University in Egypt.

Mr. Hussein Abdullah Al Haddad**Director**

Mr. Hussein Abdullah Al Haddad has worked in the government sector for more than 31 years. He is currently the Head of the Secretariat General for National Celebrations in Salalah. He is also a member of the Board of Directors of Qurayat Tourism Project and its Audit Committee. He is a business man who has established a number of projects and companies in Oman, and a representative of several international companies in the Sultanate.

Mr. Saim Yaksan**Director**

Saim Yaksan was appointed Ooredoo Group Chief Transformation Officer in October 2021.

He has over 25 years of experience in Telecommunications, IT and Financial Services industries across mature and emerging markets around the world. Saim has successful record of large scale business transformations for several Telecom Operators, Digital & Fintech and Technology companies.

Prior to joining Ooredoo, he was Senior Vice President at McKinsey with focus on transformation and ICT. Previously, Saim was Group Chief Transformation Officer for MTN leading multiple business turnarounds by establishing new digital revenue streams and cost efficiencies. He had various senior roles as CEO of MTN Cameroon, Group Chief Procurement Officer and CEO of MTN Sourcing Companies. Saim has also held several senior roles at Vodafone Group and as CPO in Vodafone operations.

Saim holds a Masters degree in Business Administration from the University of Cologne, Germany and participated in Erasmus scholarship program studying at Dublin City University, Ireland.

Board meetings and Board members' attendance in 2024

Attendance at Board meetings in 2024 is shown in **Table 2**.

Table 2: Attendance at Board meetings in 2024

	1	2	3	4	5	6	7
	11/02/2024	30/04/2024	23/07/2024	01/10/2024	24/10/2024	09/12/2024	25/12/2024
Sheikh Mohammed bin Abdulla bin Mohammed Al Thani (Former Chairman)⁴	Yes	Yes	Yes	No	Yes	No	No
Mr. Ibrahim Said Al Riyami (Vice-Chairman)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Said Faraj Al Rabeea	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Thani Ali Al Malki	Yes	Yes	Yes	Yes	Yes	Yes	No
Dr. Faisal Abdullah Al Farsi	No	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Eisa Mohammed Al Mohannadi	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Shabib Mohammed Al Darmaki	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Hussein Abdullah Al Haddad	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Saim Yaksan	Yes	Yes	Yes	No	No	Yes	No

⁴ Resigned from his role as Chairman and Director of the Board of Directors effective from 12 January 2025, and Sh. Nasser bin Hamad Al Thani was appointed as a temporary Director and Chairman effective from 16 January 2025

Board committees

Ooredoo Oman has four Board committees: The Executive Committee, the Audit and Risk Committee, the Nomination and Remuneration Committee and the Security Committee.

Executive Committee

The Executive Committee focuses on strategic issues and is responsible for all budget and procurement related matters. The Committee comprised of three members in 2024: Mr. Eisa Mohammed Al Mohammadi (Committee Chairman), Mr. Said Faraj Al Rabeea (Committee Vice-Chairman) and Mr. Thani Ali Al Malki.

The Executive Committee met 4 times during 2024. The dates and attendance at these meetings are shown in **Table 3**.

Table 3: Executive Committee meetings and attendance in 2024

	1	2	3	4
	30/04/2024	23/07/2024	24/10/2024	09/12/2024
Mr. Eisa Mohammed Al Mohammadi (Committee Chairman)	Yes	Yes	Yes	Yes
Mr. Said Faraj Al Rabeea (Committee Vice-Chairman)	Yes	Yes	Yes	Yes
Mr. Thani Ali Al Malki	Yes	Yes	Yes	Yes

The Executive Committee’s terms of reference are:

- Approve expenditure within the limits specified by the Board of Directors.
- Review and approve recommendations for the award of tenders within its financial limits.
- Approve procurements and contracts of values within its financial limits or as delegated by the Board.
- Review the quality and efficiency of services and products provided by the Company and suggest means of developing and upgrading such services and products.
- Provide Management with strategic directives on the priorities and risks relating to financial and strategic investment operations.
- Approve financial and strategic investments and related matters within its financial limits.
- To grant or release any security either to Company or from Company within its financial limits.
- Write off bad debt in accordance with its financial limits.
- Approve payment of any regulatory fines in accordance with its financial limits.
- Approve commitments outside the Annual Operating Plan (AOP) Single Source Agreement in accordance with its financial limits.
- Approve the commitment of Annual Operating plan (AOP) (excluding Single Source Agreement) in accordance with its financial limits.
- Approve strategic commercial partnerships in accordance with its financial limits.
- Approve investment operations and treasury affairs within its financial limits.
- The Committee may seek the assistance of independent experts or consultants to help it achieve its objectives.

Classification: **Public**

Audit and Risk Committee

The Audit and Risk Committee assists the Board in overseeing the integrity of the Company’s policies and financial statements, including validating and recommending them for Board approval. It also oversees the performance of the Company’s Internal Audit function. The Committee comprised of three directors in 2024: Dr. Faisal Abdullah Al-Farsi (Audit and Risk Committee Chairman), Mr. Shabib Mohammed Al Darmaki and Mr. Eisa Mohammed Al Mohannadi.

The Audit and Risk Committee met 6 times during 2024. The dates and attendance at these meetings are shown in **Table 4**.

Table 4: Audit and Risk Committee meetings and attendance in 2024

	1	2	3	4	5	6
	10/02/2024	29/04/2024	22/07/2024	01/10/2024	23/10/2024	08/12/2024
Dr. Faisal Abdullah Al-Farsi (Committee Chairman)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Shabib Mohammed Al Darmaki	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Eisa Mohammed Al Mohannadi	Yes	No	Yes	Yes	Yes	Yes

The Audit and Risk Committee’s terms of reference are:

- Assist the Board of Directors in fulfilling its oversight responsibilities for the integrity of the Company’s financial reporting process, the system of internal control, the audit process, and the Company’s process for monitoring compliance with laws and regulations.
- Assist the Board of Directors in validating and verifying the overall efficiency of the Executive Management in implementing the operational directives and guidelines set up by the Board.
- Ensure independence and objectivity of the Internal & External Audit functions, Executive Management support, and establishing communication links between the Company’s Executive Management and the auditors (Internal and External).
- Assist the Board of Directors in creating policies for safeguarding the Company’s human, material and intellectual resources and assets.
- The Audit and Risk Committee shall submit to the Board an annual plan through which it shall discharge its tasks and competences.
- Establish the Internal Audit department’s objectives, policies and scope.
- Review Internal Audit’s quarterly reports raised to the Committee, with copies to the Chairman and the members of the Board of Directors.
- Review the External Auditors’ Report and plan.
- Raise observations and recommendations regarding the points included in such reports to the Board of Directors.
- Approve the Internal Audit department’s annual plans, and oversee their implementation.
- Raise recommendations on the appointment of the Company’s External Auditors.

- Select, review and submit the recommendation for the appointment and/or termination or removal of the Company’s Head of Internal Audit to the Board for approval.
- Evaluate the Internal and External Audit performance on an annual basis based on the predetermined performance indicators and relevant professional and regulatory requirements.
- Review and study the Company’s regulations and policies, whenever exigency dictates this, and raise suggestions on their amendments to the Board of Directors.
- Ensure there is in place adequate procedures to detect and prevent any cases of financial fraud or forgery.
- Review and endorse the quarterly and annual consolidated financial statements and submit to the Board for approval.
- Review proposed Company transactions with related parties and make suitable recommendations to the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee aims to assist the general meeting in the nomination and election of directors, and to assist the Board in selecting the appropriate and necessary executives for the Executive Management. The Committee also aims to assist the Board to establish policies and practices related to the Human Resources of the Company and approving other employee related matters within its limits. The Committee comprised of three directors in 2024: Sheikh Mohammed bin Abdulla bin Mohammed Al Thani (Former Committee Chairman), Mr. Thani Ali Al Malki (Committee Vice-Chairman), and Mr. Said Faraj Al Rabeea.

The Nomination and Remuneration Committee met 6 times in 2024. The dates and attendance at these meetings are shown in **Table 5**.

Table 5: Nomination and Remuneration Committee meetings and attendance in 2024

	1	2	3	4	5	6
	11/02/2024	30/04/2024	23/07/2024	24/10/2024	20/11/2024	09/12/2024
Sheikh Mohammed bin Abdulla bin Mohammed Al Thani (Former Committee Chairman)⁵	Yes	Yes	Yes	Yes	No	No
Mr. Thani Ali Al Malki (Committee Vice-Chairman)⁶	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Said Faraj Al Rabeea	Yes	Yes	Yes	Yes	Yes	Yes

⁵ Resigned from his role as Chairman and Director of the Board of Directors effective from 12 January 2025, and Sh. Nasser bin Hamad Al Thani was appointed as an NRC member and Chairman effective from 16 January 2025

⁶ Appointed as Nomination and Remuneration Committee Vice-Chairman on 11 February 2024

The Nomination and Remuneration Committee's terms of reference are:

- Review the candidacy request for Board membership and identify and nominate candidates to fill Board vacancies for the approval of the Board.
- Review and submit the nomination of Board representatives at subsidiaries and Associates to the Board for approval.
- Recommend the appointment and termination of the CEO to the Board for approval.
- Approve the appointment and termination of employment of Senior Executive Management in Grade 1, except for the CEO, Head of Internal Audit and Company Secretary.
- Approve the appointment and termination of all Grade 2 employees.
- Endorse the Company's Corporate Scorecard for Board approval.
- Approve the annual performance rating of all Grade 1 and Grade 2 employees, except for the CEO and Head of Internal Audit.
- Approve and oversee the proper implementation of the Company's compensation and benefit policies.

Security Committee

The Security Committee focuses on ensuring the Company's compliance in regards to security requirements set out in the Telecommunications Act and the Company's given telecommunications Licenses. The Security Committee comprised of three members in 2024: Mr. Thani Ali Al Malki (Committee Chairman), Mr. Said Faraj Al Rabeea and Mr. Bassam Yousef Al Ibrahim (the Company CEO). The Security Committee did not meet in 2024.

Total remuneration paid to Directors in respect of 2024

Ooredoo Oman Directors are each paid a sitting fee of OMR 700 per Board meeting and OMR 500 per Committee meeting.

The total sitting fees paid to Directors in 2024 are shown in **Table 6**.

Table 6: Total sitting fees paid to Directors in respect of 2024

Name of Director	Position	Amount in OMR
Sheikh Mohammed bin Abdulla bin Mohammed Al Thani⁷	Former Chairman	4,800
Mr. Ibrahim Said Al Riyami	Vice-Chairman	4,900
Mr. Said Faraj Al Rabeea	Director	9,900
Dr. Faisal Abdullah Al-Farsi	Director	7,200
Mr. Thani Ali Al Malki	Director	9,200
Mr. Eisa Mohammed Al-Mohannadi	Director	9,400
Mr. Shabib Mohammed Al Darmaki	Director	7,900
Mr. Hussein Abdullah Al Haddad	Director	4,900
Mr. Saim Yaksan	Director	2,800

Additionally, at the Company's Annual General Meeting held on 19 March 2024, the shareholders approved a further distribution to the Directors of OMR 88,400 to be divided between the Directors in respect of 2023, which was paid during 2024.

The following Directors attended the Annual General Meeting which was held on 19 March 2024:

1. Sheikh Mohammed bin Abdulla bin Mohammed Al Thani
2. Mr. Ibrahim Said Al Riyami
3. Mr. Said Faraj Al Rabeea
4. Mr. Thani Ali Al Malki
5. Dr. Faisal Abdullah Al Farsi
6. Mr. Shabib Mohammed Al Darmaki
7. Mr. Eisa Mohammed Al-Mohannadi
8. Mr. Hussein Abdullah Al Haddad
9. Mr. Saim Yaksan

⁷ Resigned from his role as Chairman and Director of the Board of Directors effective from 12 January 2025, and Sh. Nasser bin Hamad Al Thani was appointed as a temporary Director and Chairman effective from 16 January 2025

Related-party transactions 2024

The Company's related-party transactions during 2024 are shown in **Table 7**.

Table 7: The Company's Related-party transactions during 2024

Transaction	OMR 2024	OMR 2023	% Change
Directors and Key Management remuneration comprising:	2,033,752	1,963,329	4%
Salaries/remuneration and benefits	1,876,408	1,813,329	3%
Director's remuneration and sitting fees	150,000	150,000	0%
Management end of service benefits	7,344	-	-
Service fee payable to Ooredoo International as per Technical Services Agreement	7,478,589	7,685,663	(3%)
Brand License Fee payable to Ooredoo IP LLC as per Brand-Licensing Agreement	3,725,725	3,839,067	(3%)
Other Expenses Comprising:	358,229	402,007	(11%)
Reimbursement of salaries and other expenses of seconded staff (Ooredoo Group)	-	33,496	(100%)
Reimbursement of other expenses (Ooredoo Group)	227,631	209,238	9%
Other expenses (Duqm Data Centre)	130,598	159,273	(18%)
Telecom Revenues from other members of Ooredoo Group	5,773,443	11,143,910	(48%)
Telecom Costs to other members of Ooredoo Group	627,553	554,932	13%
Other Services (Duqm Data Center)	16,225	85,019	(81%)
Purchase of additional data capacity on SMW5 Sea Cable from (Ooredoo Qatar)	84,722	84,722	0%
Expenses incurred on behalf of other members of Ooredoo Group	130,300	193,262	(33%)
Reimbursements from other members of Ooredoo Group for the expenses incurred	(130,300)	(193,262)	(33%)

Executive Management

There were a number of changes to the composition of the Executive Management during 2024 as follows:

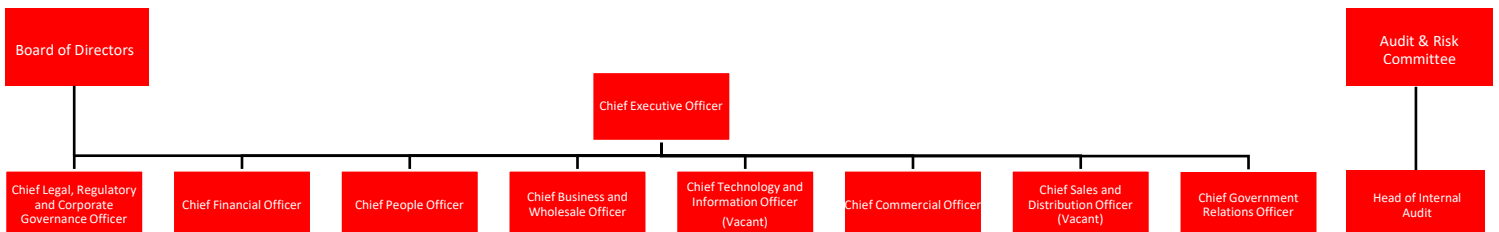
- Mr. Nasser Muhanna Al Yaarubi was appointed as Chief Financial Officer in February 2024.
- Ms. Khawla Khalifa Al Amri was appointed as Chief People Officer effective from February 2024.
- Mr. Enrique Vivas was appointed as Chief Commercial Officer effective from 1 March 2024.
- Mr. Hisham Malhas was appointed as Chief Sales and Distribution Officer effective from 1 February 2024 and resigned effective from 31 January 2025.

Ooredoo Oman’s current Executive Management team at the time of this Financial Report is shown in **Table 8**.

Table 8: Executive Management

Mr. Bassam Yousef Al Ibrahim	Chief Executive Officer
Mr. Majid Mubarak Al Marzooqi	Chief Legal, Regulatory and Corporate Governance Officer
Mr. Nasser Muhanna Al Yaarubi	Chief Financial Officer
Al Sayyid Abdullah Bader Al Busaidi	Chief Government Relations Officer
Mr. Enrique Vivas	Chief Commercial Officer
Mr. Saoud Hamad Al Riyami	Chief Business and Wholesale Officer
Ms. Khawla Khalifa Al Amri	Chief People Officer
Mr. Ibrahim Al Saadi	Head of Internal Audit

Table 9: Ooredoo Oman Organisational Structure at the time of this Financial Report



Mr. Bassam Yousef Al Ibrahim**Chief Executive Officer (CEO)**

Mr. Bassam brings over 20 years of experience gained in roles across the telecoms industry.

Bassam was appointed as the Chief Executive Officer of Ooredoo Oman in March 2023. He was previously the Chief Executive Officer of Ooredoo Algeria from 2020 to 2023, where his strategic leadership saw the company thrive, despite a challenging macroeconomic environment. He has also held a number of positions in Ooredoo Group since 2013, including Deputy Chief Procurement Officer – Strategic Sourcing. This is in addition to several senior positions in the areas of telecoms, information technology, project management and procurement at many multi-national organizations. He has also served as a board member of Ooredoo Oman in 2022.

Bassam has an MBA from HEC Paris, and a BEng in Telecommunications Engineering from the University of Essex, UK.

Mr. Majid Mubarak Al Marzooqi**Chief Legal, Regulatory and Corporate Governance Officer (CLRGO)**

Majid joined Ooredoo Oman in 2006, advancing through key roles such as Legal Counsel, Director of Legal Affairs, and Chief Corporate Governance Officer. He currently serves as the Chief Legal, Regulatory, and Corporate Governance Officer and Company Secretary, guiding the organization through the complexities of legal and regulatory compliance in the telecommunications industry. He further ensures that Ooredoo adheres to the highest standards of corporate governance and oversees all Board-related matters. In his role, he shapes the company's strategies to align with evolving landscapes, maintaining Ooredoo's leadership in legal, regulatory, and governance matters.

With over 21 years of experience in law, regulatory, governance, and public relations across both private and government sectors, Majid combines extensive legal expertise with strategic vision.

Mr. Nasser Muhanna Al Yaarubi⁸**Chief Financial Officer (CFO)**

Nasser joined Ooredoo Oman in 2011 as a finance manager commercial business partner, thereafter moving to reporting and budgeting. He was appointed Business Controller Finance Director in January 2022, responsible for budgeting, control, reporting, treasury, insurance and investment. Prior to joining Ooredoo, he was a Finance Manager in Customer Development for Unilever North Africa and Middle East. Nasser was appointed Chief Financial Officer for Ooredoo Oman in February 2024.

Nasser obtained a BA in Accounting and Finance from the University of Leeds, UK and an MBA from Sultan Qaboos University. He is also a member of the ACCA.

Al Sayyid Abdullah Bader Al Busaidi**Chief Government Relations Officer (CGRO)**

Al Sayyid Abdullah joined Ooredoo in June 2023, bringing over 21 years of experience in telecommunications, information technology and project management, and is one of Oman's successful businessmen. Al Sayyid Abdullah worked in Oman Telecommunications Company (Omantel) from 1999 to 2008 in various roles from mid management to senior management. He was the founder of Awasr Telecommunications Company and has successfully supported many start-up businesses and projects in Oman.

Al Sayyid Abdullah has a BSc in IT and Masters in Project Management, both from the USA.

⁸ Appointed as Chief Financial Officer in February 2024

Mr. Enrique Vivas⁹**Chief Business & Wholesale Officer (CBWO)**

Quique brings a wealth of experience from a distinguished career spanning BCG, Vodafone and United Group. He has a strategic mindset, impactful leadership and proven ability to drive positive change within an organisation. In previous roles he has shaped strategy, with a focus on customer experience and has effected group-wide expansion across his telco and media positions.

Quique has held board level positions in the Czech Republic and Greece, leading diverse teams in marketing, sales, digital products, big data, CRM and wholesale.

He holds a master's degree in Media and Communications, a Master's degree in Law and an MBA.

Mr. Saoud Hamad Al Riyami**Chief Business & Wholesale Officer (CBWO)**

Saoud joined Ooredoo Oman in 2009, and progressed within the Company, taking on several roles, including Head of Business Sales, Director of Business Sales and ICT solutions, prior to his current appointment.

With diverse expertise in the B2B arena, Saoud's primary focus is on B2B and Wholesale business growth, and adaptation of disruptive technologies through partnerships, both locally and globally, to cater to Oman's market needs.

Saoud has more than 18 years of experience leading teams as a senior sales manager in multiple industries, starting out with hotel management and automotive, before moving into telecoms.

He holds a Bachelor's degree in Education from the Sultan Qaboos University, and an ILM Diploma in Leadership.

Ms. Khawla Khalifa Al Amri¹⁰**Chief People Officer (CPO)**

Khawla brings a wealth of experience with over 20 years in the Human Resources field. She has held leadership positions at renowned companies, including Omantel, Oman Drydock and Oman Environmental Services Management Holding Company, where she served as General Manager. Her impressive achievements were recognised in 2023, when she was awarded at Oman's Women Leaders Summit.

Khawla holds a Master's degree in Human Resources Management from the University of Luton, Bedfordshire in the UK and a Bachelor's degree in Business Administration from the same university.

Mr. Ibrahim Al Saadi**Head of Internal Audit (HIA)**

Mr. Ibrahim Al Saadi was appointed as Head of Internal Audit in March 2022. He has more than 19 years of working experience across various sectors, with firms such as PwC and BP, in addition to the Capital Market Authority. He holds a Master's Degree in Accounting from the University of London as well as an ACCA certification.

⁹ Appointed as Chief Commercial Officer effective from 1 March 2024

¹⁰ Appointed as Chief People Officer effective from February 2024

Mr. Hisham Malhas¹¹

Former Chief Sales and Distribution Officer (Former CSDO)

Hisham is a senior sales and distribution expert with 20+ years of experience in the GCC and MENA region. A business leader with a successful track record of starting up, turning around, and leading transformation initiatives for conglomerates, his roles have spanned Etihad, Etisalat, Saudi Telecom Company (STC) and Mondelez.

Hisham successfully boosted revenues to reach \$5 billion and established the largest electronic e-voucher distribution network across MEA. He is skilled at devising best go-to-market models within consumer as well as business channels and is passionate about start-ups, technology and new innovative business models.

He holds a Bachelors of Science degree in Engineering from Northeastern University in Boston Massachusetts.

Hisham is a triathlete who enjoys cycling, running, swimming and is a two-time Ironman 70.3 finisher.

Dr. Ahmed Abdullah Issa Al Abri¹²

Former Chief Technology and Information Officer (Former CTIO)

Dr. Ahmed Abdullah Issa Al-Abri is recognized as a prominent leader in the field of technology and telecommunications. With over 25 years of experience in steering and advancing the telecommunications sector, he brings extensive and deep expertise across various domains, including telecommunications networks, information technology, telecom company management, teamwork strategies, spectrum and technology planning, innovation, project management, digital transformation, and operations and infrastructure management.

Throughout his career, Dr. Ahmed has held major leadership roles in vital sectors, playing a pivotal role in shaping digital transformation strategies and advancing future technologies. His exceptional academic and professional background includes a bachelor's degree in Telecommunications Engineering from Sultan Qaboos University, as well as master's and doctorate degrees in Business Administration from the United Kingdom. He has further enriched his expertise with prestigious global certifications, such as the Executive Leadership Program from London Business School and a Project Management Certificate from George Washington University.

Dr. Ahmed Al-Abri is a visionary leader with a strategic mindset and an innovative approach to driving digital transformation. His achievements have established him as a symbol of excellence and creativity in developing technological infrastructure and delivering significant milestones in the world of technology.

¹¹ Appointed as Chief Sales and Distribution Officer effective from 1 February 2024 and resigned effective from 31 January 2025

¹² Appointed as Advisor to the CEO effective from the 22nd of January 2025

Channels and methods of communication with shareholders and investors

The Ooredoo Oman website has a comprehensive Investor Relations section where shareholders can view the Company's quarterly financial information, disclosure policy and frequently asked questions. They can also register to receive financial news alerts and contact the Investor Relations Manager by email.

Quarterly conference sessions with analysts are planned throughout the year, and quarterly financial statements are published in national newspapers within five days of being presented on the Muscat Securities Exchange website.

The "Management Review" section of the Ooredoo Oman Financial Report contains detailed Management discussion and analysis.

Ooredoo Oman share trading details

Ooredoo Oman's shares traded on the Muscat Securities Exchange during 2024 is shown in **Table 10**.

Ooredoo Oman's share price compared to the MSX30 index throughout 2024 is shown in **Table 11**.

Ooredoo Oman's share distribution in 2024 is shown in **Table 12**.

Table 10: Ooredoo Oman share trading throughout 2024

Ooredoo Share Performance During the year 2024											
Date	Open	High	Low	Trades	Volume	Turnover	Last Trade	Previous Close	Close	Net Change	%
Jan	0.302	0.306	0.302	430	5,652,388	1,748,184	0.306	0.302	0.306	0.004	1.32%
Feb	0.338	0.340	0.320	567	9,414,933	3,055,049	0.339	0.338	0.339	0.001	0.30%
Mar	0.305	0.307	0.305	272	3,599,045	1,135,329	0.307	0.305	0.307	0.002	0.66%
Apr	0.306	0.306	0.299	625	13,389,105	4,022,540	0.299	0.300	0.299	-0.001	-0.33%
May	0.301	0.301	0.300	289	2,713,708	814,911	0.300	0.304	0.300	-0.004	-1.32%
Jun	0.298	0.300	0.291	475	1,941,810	570,550	0.293	0.294	0.291	-0.003	-1.02%
Jul	0.288	0.288	0.286	295	3,599,426	1,034,399	0.286	0.289	0.286	-0.003	-1.04%
Aug	0.289	0.290	0.289	234	3,343,462	954,790	0.290	0.288	0.290	0.002	0.69%
Sep	0.277	0.279	0.277	159	1,780,362	502,252	0.278	0.277	0.278	0.001	0.36%
Oct	0.274	0.275	0.274	116	702,860	193,976	0.274	0.274	0.274	0.000	0.00%
Nov	0.245	0.245	0.242	139	816,287	209,800	0.242	0.242	0.242	0.000	0.00%
Dec	0.230	0.230	0.230	134	622,759	147,595	0.230	0.230	0.230	0.000	0.00%

Table 11: Ooredoo Oman share price compared to MSX30 index throughout 2024

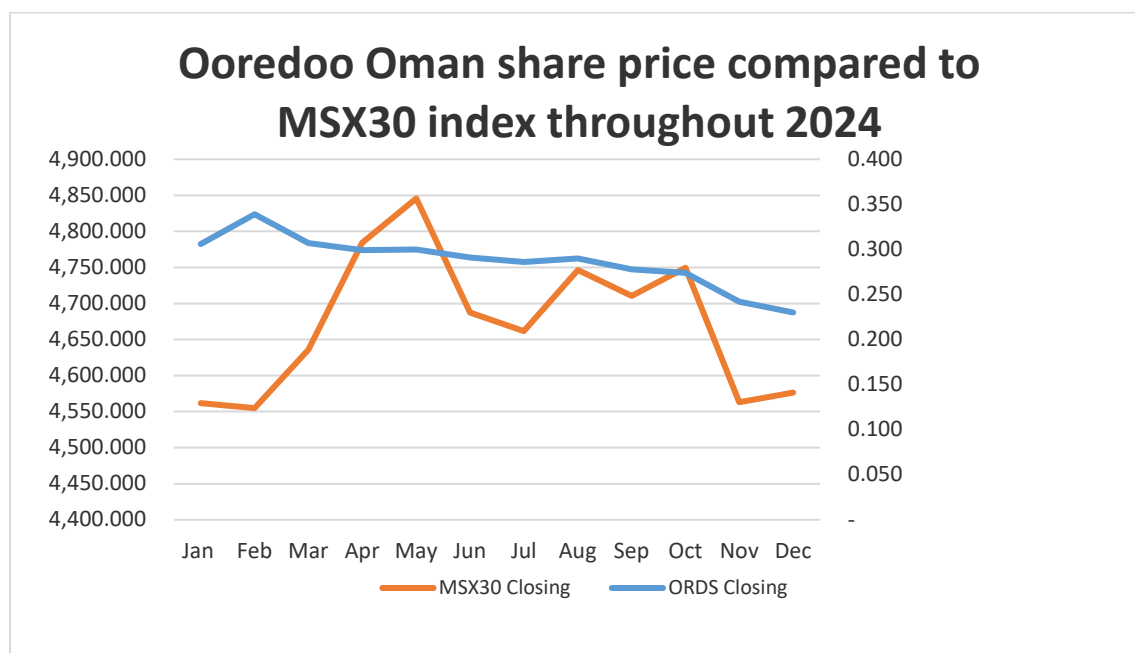


Table 12: Ooredoo Oman Share Distribution (in terms of ownership)

	Omani	Non-Omani	GCC	Arab	Foreign
Jan	38.86%	61.14%	60.21%	0.10%	0.83%
Feb	39.94%	60.06%	59.05%	0.09%	0.92%
Mar	39.07%	60.93%	60.02%	0.09%	0.82%
Apr	40.00%	60.00%	59.05%	0.09%	0.86%
May	39.98%	60.01%	59.05%	0.09%	0.87%
Jun	40.18%	59.81%	59.05%	0.09%	0.67%
Jul	40.18%	59.83%	59.07%	0.09%	0.67%
Aug	40.21%	59.79%	59.06%	0.09%	0.64%
Sep	40.34%	59.66%	58.90%	0.10%	0.66%
Oct	40.32%	59.68%	58.91%	0.09%	0.68%
Nov	40.30%	59.70%	58.92%	0.09%	0.69%
Dec	40.29%	59.71%	58.94%	0.10%	0.67%

Ooredoo Group is the only shareholder that holds more than 10% of the Company’s issued shares. The Company does not have any securities or financial instruments convertible to shares.

Details of non-compliance by the Company

The Board of Directors is pleased to advise shareholders that there were no non-compliance related penalties imposed upon the Company by Muscat Securities Exchange or the Financial Services Authority in 2024.

Disclosure Policy

Ooredoo Oman rigorously applies its Disclosure Policy so as to develop and maintain reasonable market expectations of the Company’s current and future trading prospects. This is achieved by making disclosure on a widely disseminated basis, through a realistic understanding of the prospects for future performance, and by ensuring that information does not intentionally or unintentionally mislead investors.

Managing Risk

The Company has established a section that ensures risk management is an essential part of the Company’s culture and strategic decision-making through an Enterprise Risk Management (ERM) function. The ERM’s strategic objectives bring a systematic approach to assessing, evaluating, managing and controlling overall enterprise risk. It also assists in providing practical and cost-effective solutions to manage and mitigate risk.

ERM is called for under the Company’s corporate governance framework. The Company is required to present the status of internal control and arrangements for risk management to its Executive Management and to report the same to the Audit and Risk Committee and Board of Directors on a quarterly basis.

External Auditor

The shareholders of the Company appointed KPMG LLC as its external auditors for 2024. KPMG has been operating in Oman since 1974 and is part of KPMG Lower Gulf Limited. KPMG in Oman employs more than 160 people, amongst whom are six partners and seven directors, including Omani nationals. KPMG is a global network of professional services firms providing Audit, Tax and Advisory services. It operates in 143 countries and territories and have 265,000 people working in

Classification: **Public**

member firms around the world. KPMG LLC and KPMG Lower Gulf Limited are member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited.

The total fees for audit and non-audit related services for the auditor in respect of 2024 were OMR 127,000.

Corporate Social Responsibility

CSR has been a key part of Ooredoo's strategy since its launch in the Sultanate. 'Ooredoo Goodwill'; the platform under which CSR falls, sees projects aim to provide sustainable support and community development, focussing on the digital, educational and health sectors, as well as on the empowerment of women.

20% of the total CSR budget was allocated to the Oman Charitable Organization (OCO) as Ooredoo Oman's CSR contribution. This percentage is to be contributed every year to OCO in accordance with FSA Decision No. 172/2021.

Community Projects

Goodwill Journey 20, the flagship Corporate Social Responsibility programme, saw volunteers travelling across North and South Al-Batinah, North and South Sharqiah, Al Buraimi, Al Dhahirah, Al Dakhiliyah, Muscat and Dhofar. The diverse initiatives undertaken showcased our commitment to making a positive impact.

We began by training and graduating 50 Omani youth job seekers in Mutrah in the field of electrical installations, maintenance, installation and welding of electrical cables. After obtaining their license certificates as electrical technicians, they can practice in their own capacity, in collaboration with Mutrah Shoura member.

Furthering our commitment to education, we supported a school in Rustaq with digital screens and provided them with items to create a healthy environment for more than 100 students.

We also renovated houses in Shinas in collaboration with Shinas charity team for low-income families.

In collaboration with Takful Sohar we supported local families with SME sales booths for low income families to display their local products for visitors and residents.

We also provided and designed a carpentry workshop at Al-Wafa Rehabilitation Centre for Disabled Children in Dama Wa Al-Taen to benefit more than 300 people.

Additionally, we celebrated Qaranqasho in the Omani Women's Association in Sur with more than 300 kids and families.

We donated laptops to charitable associations and Omani Women's Associations through the social development office in Duqm.

We also distributed Kiswat Al Eid to low income families in Salalah through Omani Bahja Society to share the spirit of Ramadan and Eid with the community.

Classification: **Public**

We collaborated with Otaxi to launch new female drivers in Salalah, in which we supported with branding and preparing 7 cars.

We also upgraded Marbat women's incubator by launching the Italian porcelain manufacturing to produce fine pottery, and decorative ceramic items, which they sell in the local market. More than 800 women will benefit from this initiative.

These diverse initiatives under Goodwill Journey 20 exemplify our holistic approach to corporate social responsibility, and contributing to the well-being and development of communities across the region.

We celebrated the International Day of People with Disabilities by supporting the 'Village of Happiness', which aimed to give a safe space for people with disabilities to attend a fun filled event that catered to their needs. It targeted 1,848 children affiliated with various associations and institutions serving children with disabilities.

And internally we celebrated the occasion of International Day of People with Disabilities, and as part of the company's corporate social responsibility towards people with special needs, in collaboration with our HSE team, we launched tactile signage in the second-floor reception area and call centre, reinforcing our dedication to inclusivity and accessibility for both employees and customers.

Marking the 54th National Day and as part of our community engagement initiatives, we launched a roadshow to celebrate the joyous occasion with children and the community at various civil society associations, charities and hospitals in Oman. The visits included multiple activities including the distribution of giveaways to share the festive mood at the Social Care Center, Al Rustaq Hospital and Omar bin Al Khattab Institute.

Digitally and Educationally Driven Projects

Over the year we have implemented several impactful initiatives aimed at up-skilling and enabling small business owners and future business leaders.

We renewed the Read Speaker tool on the Ooredoo website. This enhancement was specifically designed to assist individuals with disabilities, the elderly, and others who would benefit from this feature, fostering a more inclusive online experience.

In collaboration with the Oman Academy for SMEs and the SME Development Authority in Salalah, we rolled out an initiative called the 'Marketing Challenge'. This aimed to empower the next-gen of Omani content creators and digital marketers, giving them real-world skills to thrive in today's fast-moving digital landscape. Kicking off in June and wrapping up by the end of August 2024, the competition drew enthusiastic participation from across the Sultanate, with 17 teams taking up the reins to promote 17 local brands. The teams delivered impressive results, clinching top spots for their stellar performances. Ooredoo offered five additional marketing internships to standout participants, giving them the chance to dive even deeper into this dynamic field.

We inaugurated 'O Lab' at Al Wafa Center for the Rehabilitation of Children for Disabled in Buraimi to enhance the technical skills of people with disabilities and distributed gifts for children.

We also designed and implemented a digital entertainment room in the emergency ward in Sohar hospital, which will benefit more than 2000 children. In addition to that, we supported Manah Health Center by setting up a smart room for patients.

Extending our support to the visually challenged, we collaborated with Al Noor Association for the Blind in Nizwa. Our efforts aimed to improve their social and economic situation by creating a computer lab within the association, facilitating educational and vocational opportunities.

In celebration of International Day of Sign Languages and in collaboration with the contact centre and people engagement team, we proudly marked the first anniversary of our dedicated sign language customer service centre – the first of its kind in the region. Over the past year, this initiative has played a vital role in ensuring that Ooredoo’s hearing-impaired customers can easily communicate, ask questions, and access information about the company’s wide range of products, services, and offers. In addition, we ran a refreshment campaign on social media, in stores and on the Ooredoo App.

These initiatives underscore the company’s dedication to creating a more inclusive and empowered nation of employees and employers, where technological enhancements and educational support combine to uplift individuals and communities.

As part of employee development and in collaboration with HR, we ran a front liners training for our employees and Ayesha Al Shoily, certified trainer and Ooredoo’s Head of CSR, took a part in this training in terms of soft skills training development.

Women & Children

We marked Omani Women’s Day through the 7th annual Women’s Incubator Forum. This event brought together various stakeholders, including women’s associations, employees, charitable partners, and low-income families, with a focus on exploring innovative ways to empower businesswomen in Oman for the benefit of themselves, their families, and the community. As part of the day’s activities, and reflecting our commitment to facilitating women’s empowerment, we also announced the winners of a contest held for the Omani Women’s Associations. The Association in the Wilayat of Bahla, Qarayyat and Samail won the prizes for sustainable and unique projects. In addition, we hosted internal Ooredoo exhibitions for the women’s incubators and low-income families to sell and promote their products four times in 2024.

Springboard and SpringForward are two significant pillars of our education programme and initiatives. We provided complimentary workshops to our main stakeholders from different government and non-government sectors. This year we trained women’s incubators in Awabi and Nakhal and Omran, Otaxi, National Finance company, and for the 9th edition of SpringForward, we trained Dhakhaliya SMEs in Nizwa. More than 165 this year graduated from both programmes and we honoured and funded three winning projects.

Throughout October, we launched a comprehensive social media campaign through the Ooredoo App to extend our outreach beyond digital platforms, partnering with the Oman Cancer Association to provide on-the-ground support for women in Al-Khaboura. A mobile health unit visited the area, offering free mammogram screening for local women and providing information on breast cancer prevention. We also organised an internal session in collaboration with Burjeel Hospital for our female employees, offering hands-on guidance on self-examination techniques.

Classification: **Public**

Addressing connectivity needs, we supported the Childcare Centre in Al Khoudh for three-month internet package.

We supported Rustaq hospital on the 'World Children Day' by distributing gifts to the patients in the hospital.

To further support charitable associations, we ran a social media campaign for donation codes through SMS.

All of these initiatives highlight our commitment to empowering women, promoting and providing education, supporting healthcare, and connectivity, and contributing to community welfare and growth in line with Oman's Vision 2040.

Environment

In terms of the environment, we contributed to the national 'Ashjar initiative' to plant one thousand trees in collaboration with the Environment Authority and the Omani Women's Association in Ibri.

We also supported the Omani Women's Association in Bahla to provide a 'Smart Hydroponics' project to explore innovative ways to help women in Oman reach their full potential - for the benefit of themselves, their families and the wider community. This project, which belongs to one of the women's incubators, was announced the winner of a contest held for the Omani Women's Associations on Omani Women's Day.

This is in addition to supporting Samail women's association with recycling of coffee waste to produce natural fertiliser.

We also printed Hajj recycled bags for Hajj performers to be used them during their pilgrimage this year, in partnership with the Ministry of Endowment and Religious Affairs.

Bulk SMS

We promoted and executed engaging activities for charitable organisations across the region through bulk SMS, by sending three million messages for the National Organ Transplantation Program, aimed at raising awareness in society and encouraging people to pledge their organs for donation.

As part of our ongoing commitment to the community, we also activated two new short codes (SMS) to support the Omani Society for the Care of the Holy Quran and the Siraj Education Endowment Foundation.

Awards

We were proud to have been recognised for our efforts by winning two awards at the Global Business and Finance Magazine Awards and the Global Brands Magazine Awards, both for Best CSR Initiative - Oman 2024.

Board Declaration

The Board of Directors acknowledges that:

- Ooredoo Oman has all its systems and procedures formally documented and in place. The Company's internal regulations comply with the relevant regulatory requirements and have been formalized, reviewed and approved by the Board of Directors.
- The Board of Directors is responsible for ensuring that the financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), the requirements of the Commercial Companies Law of the Sultanate of Oman 18/2019 and the rules for disclosure requirements prescribed by the Financial Services Authority.
- No material events affect the continuation of the Company and its operations during the next financial year.
- The Directors on the Board do not provide press statements or release data or information without the prior written permission of the Board or the Chairman.
- They have reviewed the efficiency and adequacy of the Company's internal control system for purposes of ensuring it complies with internal rules and declarations.
- All Board Members are aware of the Code of Corporate Governance and its requirements.

OMANI QATARI TELECOMMUNICATION COMPANY SAOG

**PARENT COMPANY AND CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2024**

**Registered office and
principal place of business**

Tilal Building
PO Box 874
PC 111, Central Post office
Sultanate of Oman

OMANI QATARI TELECOMMUNICATION COMPANY SAOG

PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Contents	Pages
Independent auditor's report	1 – 5
Parent Company and consolidated statement of profit or loss and other comprehensive income	6
Parent Company and consolidated statement of financial position	7
Parent Company and consolidated statement of changes in equity	8 -9
Parent Company and consolidated statement of cash flows	10 - 11
Notes to the Parent Company and consolidated financial statements	12 – 56



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Independent auditors' report

To the Shareholders of Omani Qatari Telecommunication Company SAOG

Report on the Audit of the Consolidated and Parent Company (Separate) Financial Statements

Opinion

We have audited the consolidated and parent company (separate) financial statements of Omani Qatari Telecommunication Company SAOG ("the Parent Company") and its subsidiaries ("the Group"), which comprise the consolidated and parent company (separate) statement of financial position as at 31 December 2024, the consolidated and parent company (separate) statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and parent company (separate) financial statements present fairly, in all material respects, the consolidated and unconsolidated financial position of the Group and the Parent Company as at 31 December 2024, and their consolidated and unconsolidated financial performance and their consolidated and unconsolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 *Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements* section of our report. We are independent of the Group and Parent Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and parent company (separate) financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Continued on page 2



Continued from page 1

Key Audit Matters

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

Revenue Recognition

See Note 3, 4 and 5 to the consolidated and parent company (separate) financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The Group and the Parent Company (reported revenue of RO 251.5 million (2023: RO 259.1 million) and RO 249.3 million (2023: RO 257.5 million) respectively for the year ended 31 December 2024.</p> <p>The inherent complexity of revenue recognition in the telecom industry is significant due to the massive volume of transactions processed across diverse IT systems, coupled with the dynamic product offerings designed to counter the competitive landscape.</p> <p>We have considered revenue recognition as a key audit matter due to complexity and judgements involved in determining the performance obligation requirements of IFRS 15 and dependencies on different IT systems in the revenue recognition process for services rendered overtime.</p> <p>We have also identified a risk of management override through inappropriate revenue entries, that do not originate directly from the underlying IT systems revenue reports, given that revenue is a key performance indicator, both in external communication and for management incentive.</p> <p>Refer to notes 3 and 4 for accounting policies and critical accounting judgements.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> - We obtained an understanding of the Group and Parent Company's revenue and billing processes. This included evaluating controls, IT systems, interfaces, and reports, from service initiation to final measurement, recognition, and recording; - We involved our dedicated IT audit team to test design and operating effectiveness of both general IT controls and IT application controls embedded within key IT systems and applications. It included testing of automated controls over relevant data flows of significant revenue streams across various systems; - In testing revenue recognition our audit involved an examination of a sample of transactions to check that performance obligations meet the over time revenue recognition criteria. This testing included assessing on a sample basis, the existence of an underlying arrangement with the customer; and the timing of revenue recognition for such revenue contracts based on the performance obligations and relevant accounting standards; - Performed analytical reviews and substantive analytical procedures on significant revenue streams; - On sample basis, we tested the supporting evidence for revenue entries that do not originate directly from the underlying IT systems revenue reports and are posted to revenue accounts; and - Assessed the adequacy of the disclosures related to revenue recognition by reference to the relevant accounting standards.

Continued on page 3



Continued from page 2

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' report, the Corporate Governance Report and Management Review.

Our opinion on the consolidated and parent company (separate) financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and parent company (separate) financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent company (separate) financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Parent Company (Separate) Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and parent company (separate) financial statements in accordance with IFRS Accounting Standards, and their preparation in compliance with the relevant requirements of the Financial Services Authority (formerly the Capital Market Authority) and the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent company (separate) financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent company (separate) financial statements, management is responsible for assessing the Group's and the Parent Company'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 and the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company (separate) financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and parent company (separate) financial statements.

Continued on page 4



Continued from page 3

Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the consolidated and parent company (separate) 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 and the Parent Company'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 and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and parent company (separate) 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 auditors' report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent company (separate) financial statements, including the disclosures, and whether the consolidated and parent company (separate) financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 group 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 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.

Continued on page 5



Continued from page 4

Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements (continued)

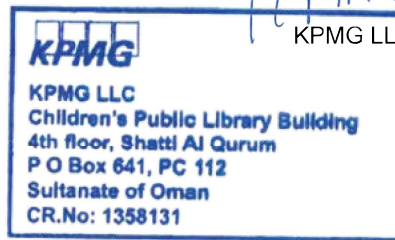
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company (separate) financial statements of the current period and are therefore the key audit matters. We describe these matters in our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

Report on Other Legal and Regulatory Requirements

Further, we report that these financial statements as at and for the year ended 31 December 2024, comply, in all material respects, with the:

- relevant requirements of the Financial Services Authority (formerly the Capital Market Authority); and
- applicable provisions of the Commercial Companies Law of 2019.

Mobeen Chaudhri
9 February 2025



OMANI QATARI TELECOMMUNICATION COMPANY SAOG

PARENT COMPANY AND CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Parent Company		Consolidated	
		2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Revenue	5	249,284	257,503	251,492	259,115
Other income		167	143	190	143
Network, interconnect and other operating expenses	6	(109,474)	(113,246)	(110,232)	(113,664)
Employee salaries and associated costs		(33,967)	(30,344)	(34,634)	(30,948)
Depreciation and amortisation	11, 12, 13 & 13A	(63,274)	(69,801)	(63,602)	(70,086)
Finance costs	8	(2,865)	(3,587)	(2,906)	(3,625)
Finance income	8	5	7	5	7
Impairment loss on financial assets		(3,312)	(3,842)	(3,336)	(3,877)
Reversal of impairment on non-financial assets	14	-	-	169	35
Other gains – net	7	1,269	794	1,269	794
Royalty	13	(24,275)	(25,175)	(24,275)	(25,175)
Profit before tax		13,558	12,452	14,140	12,719
Income tax	9	(2,287)	(1,960)	(2,287)	(1,960)
Profit and total comprehensive income for the year		11,271	10,492	11,853	10,759
Profit and total comprehensive income attributable to:					
Owners of the Company		11,271	10,492	11,733	10,692
Non-controlling interests		-	-	120	67
		11,271	10,492	11,853	10,759
Basic and diluted earnings per share (RO)	10	0.017	0.016	0.018	0.016

The notes and other explanatory information on pages 12 to 56 form an integral part of these Parent Company and consolidated financial statements.

The report of the Independent Auditor is set forth on pages 1 to 5.

OMANI QATARI TELECOMMUNICATION COMPANY SAOG

PARENT COMPANY AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

Parent Company

	Share capital RO'000	Legal reserve RO'000	Retained earnings RO'000	Total RO'000
At 1 January 2023	65,094	21,698	175,029	261,821
Profit and total comprehensive income for the year	-	-	10,492	10,492
Dividends (note 19)	-	-	(13,019)	(13,019)
Balance at 31 December 2023	65,094	21,698	172,502	259,294
At 1 January 2024	65,094	21,698	172,502	259,294
Profit and total comprehensive income for the year	-	-	11,271	11,271
Dividends (note 19)	-	-	(9,569)	(9,569)
Balance at 31 December 2024	65,094	21,698	174,204	260,996

The notes and other explanatory information on pages 12 to 56 form an integral part of these Parent Company and consolidated financial statements. The report of the Independent Auditor is set forth on pages 1 to 5.

OMANI QATARI TELECOMMUNICATION COMPANY SAOG

PARENT COMPANY AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

Consolidated

	Equity attributable to the owners of the Parent Company					
	Share capital RO'000	Legal reserve RO'000	Retained earnings RO'000	Sub-total RO'000	Non- controlling interests RO'000	Total RO'000
At 1 January 2023	65,094	21,698	174,473	261,265	102	261,367
Profit and total comprehensive income for the year	-	-	10,692	10,692	67	10,759
Dividends (note 19)	-	-	(13,019)	(13,019)	-	(13,019)
Balance at 31 December 2023	65,094	21,698	172,146	258,938	169	259,107
At 1 January 2024	65,094	21,698	172,146	258,938	169	259,107
Profit and total comprehensive income for the year	-	-	11,733	11,733	120	11,853
Dividends (note 19)	-	-	(9,569)	(9,569)	-	(9,569)
Balance at 31 December 2024	65,094	21,698	174,310	261,102	289	261,391

The notes and other explanatory information on pages 12 to 56 form an integral part of these Parent Company and consolidated financial statements. The report of the Independent Auditor is set forth on pages 1 to 5.

OMANI QATARI TELECOMMUNICATION COMPANY SAOG

PARENT COMPANY AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Parent Company		Consolidated	
		2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
OPERATING ACTIVITIES					
Profit before tax		13,558	12,452	14,140	12,719
Adjustments for:					
Depreciation	11	45,645	51,638	45,940	51,891
Right-of-use depreciation and Amortisation	12,13,13A	17,629	18,163	17,662	18,195
Impairment loss on financial assets		3,312	3,842	3,336	3,877
Reversal of impairment loss on non-financial assets	14	-	-	(169)	(35)
Financing costs – lease	8	1,681	2,174	1,689	2,174
Finance costs	8	982	1,279	1,015	1,317
Finance income	8	(5)	(7)	(5)	(7)
Unwinding of discount of site restoration provision	23	202	134	202	134
Employee retention – long term incentive		730	633	730	633
Employees' end of service benefits	25	(93)	337	(78)	340
Gain on modification/termination of lease contract-net		(1,328)	(60)	(1,328)	(60)
Reversal of Disposal provision		-	(135)	-	(135)
Cost estimation adjustment		(34)	-	(34)	-
Gain on Sites restoration		-	(889)	-	(889)
Loss on sale of property and equipment – net		79	77	80	77
Operating cash flows before working capital changes		82,358	89,638	83,180	90,231
Working capital changes:					
Inventories		(3,523)	607	(3,523)	607
Trade and other receivables		11,285	2,381	11,001	2,099
Contract assets and other non-current assets		754	(1,622)	755	(1,623)
Contract costs		458	(511)	458	(511)
Trade and other payables		(10,664)	(6,928)	(10,485)	(6,984)
Contract liabilities and deferred income		(322)	(2,643)	(61)	(2,643)
Cash generated from operations		80,346	80,922	81,325	81,176
Income tax paid		(201)	-	(201)	-
Interest paid – lease	24	(1,786)	(2,990)	(1,794)	(2,990)
Interest paid		(935)	(1,283)	(968)	(1,321)
Long term incentives paid		(522)	(306)	(522)	(306)
Employees' end of service benefits paid	25	(47)	(135)	(47)	(135)
Net cash generated from operating activities		76,855	76,208	77,793	76,424
INVESTING ACTIVITIES					
Payments for property and equipment	11	(46,664)	(47,102)	(46,997)	(47,352)
Payment for licence renewal	13	(2,893)	(12,500)	(2,893)	(12,500)
Payments for intangible assets	13A	(4,765)	(5,947)	(4,765)	(5,947)
Interest income	8	5	7	5	7
Net cash used in investing activities		(54,317)	(65,542)	(54,650)	(65,792)

The notes on pages 12 to 56 are an integral part of these Parent Company and consolidated financial statements.

The report of the Independent Auditor is set forth on pages 1 to 5.

OMANI QATARI TELECOMMUNICATION COMPANY SAOG

PARENT COMPANY AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Notes	Parent Company		Consolidated	
		2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
FINANCING ACTIVITIES					
Proceeds from loans and borrowings	22	49,500	69,000	49,500	69,000
Repayment of loans and borrowings	22	(54,810)	(56,766)	(54,950)	(56,871)
Dividends paid	19	(9,569)	(13,019)	(9,569)	(13,019)
Repayment of lease principal	24	(7,591)	(8,681)	(7,625)	(8,708)
Net cash used in financing activities		(22,470)	(9,466)	(22,644)	(9,598)
Net (decrease)/ increase in cash and cash equivalents		68	1,200	499	1,034
Cash and cash equivalents at the beginning of the year		3,606	2,406	3,422	2,388
Cash and cash equivalents at the end of the year	17	3,674	3,606	3,921	3,422

Non-cash investing and financing activities

	Notes	Parent Company		Consolidated	
		2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Acquisition of right-of-use leased assets	12	3,665	2,791	3,745	2,823

The notes on pages 12 to 56 are an integral part of these Parent Company and consolidated financial statements.

The report of the Independent Auditor is set forth on pages 1 to 5.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****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 license has been renewed for a further 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. (formerly known as Qatar Telecom (Qtel) QSC) 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 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 started its commercial operations during 2019.

On 7 November 2021, the Company invested 100% shareholding in Gulf Tower Company SPC (“the Tower Co”). The Subsidiary 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 Subsidiary have not commenced operations as of 31 December 2024.

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

2. Basis of preparation

The consolidated financial statements of the Group and the financial statements of the Parent Company (together referred to as “these financial statements”) have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). These financial statements also comply with the applicable requirements of the Commercial Companies Law of 2019 of the Sultanate of Oman and the rules and guidelines issued by the Financial Services Authority (formerly known as Capital Market Authority).

The accounting records are maintained in Omani Rial, which is the functional and presentation currency for these financial statements. These financial statements numbers are rounded to the nearest thousand except when otherwise indicated.

These financial statements are prepared under the historical cost convention modified to include the measurement of liability at fair value of the cash-settled share-based payment arrangements.

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in note 4.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

2. Basis of preparation (continued)

2.1 New and amended standards adopted by the Group

A number of new standards, amendments to standards and interpretations are effective for the periods beginning on or after 1 January 2024. Those, which are relevant to the Company, are set out below.

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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 impact in the current year or retrospective impact on the comparative statement of financial position as of 31 December 2024 and 31 December 2023 respectively.

The above standards and amendments do not have any material impact on the financial statements.

2.2 New standards and interpretations not yet adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New accounting standards or amendments	Effective for annual periods beginning on or after
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures)	1 January 2026
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements- IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	Available for optional adoption / effective date deferred indefinitely

There are no other standards, amendments and interpretations that are not yet effective that are expected to have a material impact in the current or future reporting periods or on foreseeable future transactions.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies**

The material accounting policies are as follows which are applied consistently throughout the year and are consistent with those applied in prior years:

Basis of consolidation

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

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

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

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

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

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

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

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

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired and any amount of any non-controlling interest in the acquiree. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the 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 statement of profit or loss.

Any contingent consideration payable is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument 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 statement of profit or loss.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)****Basis of consolidation (continued)**

(ii) 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 these consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interests

Non-controlling interests (“NCI”) are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Revenue, contract assets and contract liabilities

Revenue include all revenues from the ordinary business activities of the Group which mainly include sale of equipment and rendering of services. All ancillary income in connection with the rendering of services and delivery of goods in the course of the Group’s ordinary activities is also presented as revenue.

Collectability

One of the attributes of a contract so that it can be accounted for under IFRS 15 is that it should be ‘probable’ that the reporting entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. The meaning of the term ‘probable’ is consistent with the existing definition in IFRS, i.e. ‘more likely than not’. The Group has concluded that a major portion of its contracts are collectable and will therefore be accounted for under IFRS 15.

Contract enforceability

An entity will have to first determine the term of the contract to apply certain aspects of the revenue model (e.g., identifying performance obligations, determining the transaction price). The contract term to be evaluated is the period in which parties to the contract have present enforceable rights and obligations. The period in which enforceable rights and obligations exist may be affected by termination provisions in the contract.

The Group has concluded that the agreed contract duration in its respective contracts will be considered as the contract term in applying the IFRS 15 model as the termination provisions in its respective contracts are substantive.

Contract costs

Under IFRS 15, commissions and installation costs, including hardware and software, meet the definition of an incremental cost to acquire a contract or a cost to fulfil a contract (contract cost). The Group has capitalised these qualifying expenses as other assets and amortises the cost to obtain a contract over the expected customer life and cost to fulfil on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates subject to any impairment.

Contract asset

When either party to a contract has performed, the Group shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity’s performance and the customer’s payment.

A contract asset will be recognised if the Group recorded revenue for fulfilment of a contractual performance obligation of a customer before the payment which is still conditional on future performance of the Group.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)****Revenue, contract assets and contract liabilities (continued)***Multiple-element arrangements*

The Group offers a various multiple element arrangement which involves the delivery or provision of multiple products or services must be separated into distinct performance obligations, each with its own separate revenue contribution that is recognized as revenue on fulfilment of the obligation to the customer. At Parent Company, this especially concerns the sale of a mobile handset or other telecommunications equipment combined with the conclusion of a mobile or fixed-network telecommunications contract. The total transaction price of the bundled contract is allocated among the individual performance obligations based on their relative standalone selling prices, i.e., based on a ratio of the standalone selling price of each separate element to the aggregated standalone selling prices of the contractual performance obligations. As a result, the revenue to be recognized for products (often delivered in advance) such as unlocked mobile handsets that are sold at a subsidized price in combination with a long-term service contract is higher than the amount billed or collected. This leads to the recognition of what is known as a contract asset – conditional right to consideration for work completed but not billed – in the statement of financial position. In addition, the Group also offers the following:

- Mobile and fixed contracts with customers where sale of services is the only expected performance obligation – Revenue recognition for services is recognized over the period when these services are provided to the customers. These are billed on a monthly basis based on the agreed terms as per the contract for respective services, which is generally either fixed recurring rentals and/or usage.
- Services bundled with sale of equipment that are locked to the Group's network – The bundled equipment with no standalone functionality are not considered distinct or separate performance obligations ("PO") in the contract with the customer. Hence, the related transaction price, if any, is allocated to the remaining services and revenue is recognised over the service period. The contracts are billed and paid on monthly basis.

Allocation of Transaction price based on Standalone Selling Price (SSP)

IFRS 15 requires the Group to determine the stand-alone selling price (SSP) of the performance obligations (POs) and allocate the transaction price in proportion to those SSP. Transaction price allocated to each PO impacts the amount of revenue recognised by the Group at various periods (i.e. at inception date, during the contract life, at termination date or at modification date) since revenues from POs are either recognised upfront, over the contract period or deferred until occurrence of certain future events. 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 (i.e. mobile devices), where standalone selling prices are not directly observable, estimation techniques will be used maximizing the use of observable inputs. Suitable methods for estimating the standalone selling price include adjusted market assessment approach, cost plus margin approach or residual approach.

Contract liability

A contract liability must be recognised when the customer paid consideration or a receivable from the customer is due before the Group fulfilled a contractual performance obligation and thus recognized revenue. In a customer contract, contract liabilities must be set off against contract assets.

Sale of prepaid cards

Sale of prepaid cards is recognised as revenue based on the actual utilisation of the prepaid cards sold. Sales relating to unutilised prepaid cards are accounted as deferred income. Deferred income related to unused prepaid cards is recognised as revenue when utilised by the customer or upon termination of the customer relationship or upon expiration of the prepaid cards.

Service roll-over rights

Where customers are entitled to roll-over the service entitlements (in bundle voice or data allowances) to future periods, the Group defers revenue for such unused or rolled over services. In determining whether roll-overs are material, the Group considers the proportion of rolled-over services that are ultimately utilised by customers. Where roll-over allowances are considered to be material, the Group recognises the revenue based on usage, along with necessary adjustments for breakages.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)****Revenue, contract assets and contract liabilities (continued)***Customer Loyalty Programme*

The Group has a customer loyalty programme whereby customers are awarded credits (“points”) based on the usage of products and services, entitling customers to the right to redeem the accumulated points via specified means. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the points and the other components of sale. The amount allocated to the points is estimated by reference to the fair value of the right to redeem it at a discount for the products of the Group or for products or services provided by third parties. The fair value of the right to redeem is estimated based on the amount of discount, adjusted to taking into account the expected redemption rate. This fair value needs to be reviewed annually and whenever there is a significant change affecting the fair value.

The amount allocated to the points is deferred and included in contract liability. Revenue is recognised when these points are redeemed, relative to the total number of points expected to be redeemed, and the company has fulfilled its obligations to the customer. Contract liability from loyalty credits is also released to revenue when it is no longer considered probable that the points will be redeemed or on when expired.

Satisfaction of performance obligations

Revenue is recognised as the Group satisfies performance obligations by transferring the promised goods or services to customers.

Performance obligations are satisfied:

- Over time (in the case for services); or
- At a point in time (in the case for devices).

Performance obligations are satisfied over time if any of the following criteria are met:

- the customer simultaneously receives and consumes the benefits as the Group performs;
- The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Telecom services (voice, SMS, data etc.) including add-ons and marketing promotions (e.g. WhatsApp subscription and free data allowance on mobile and broadband plans) are the performance obligations that the customer simultaneously receives and consumes as the Group performs. These are considered performance obligation satisfied over time.

- Where customers receive fixed monthly allowances for a fixed monthly rental and the allowances expire in the same month, then the revenue will be recognised on a pro-rata basis over the period during which services are delivered.
- If the allowances can be rolled-over for more than a month, then the revenue will be recognised based on usage and estimation of breakages, if any (service roll-over rights).
- Where customers are charged at the specified rates based on usage, the revenue will be recognised as services are delivered and consumed.

Revenue from telecom services is recognised over time based on the customer subscription period since the customer simultaneously receives and consumes the benefits as the seller renders the services.

Performance obligations that are satisfied at a point in time are satisfied when a customer obtains control of a promised asset. In determining whether a transfer of control has occurred some judgment is required. Indicators of the transfer of control, not all of which need to be met, include (but are not limited to):

- The Group has a present right to payment for the asset.
- The customer has legal title to the assets.
- The Group has transferred physical possession of the assets.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)****Revenue, contract assets and contract liabilities (continued)**

For devices / equipment that are considered distinct or separate PO, revenue will be recognised at point in time upon delivery.

For installation services that are not considered distinct or (“PO”), since there is a high level of interdependency between installation and the underlying services, any charges received from the customer for installation will be attributed to the services PO and recognised as these services are provided to the customer.

For installation services that are considered distinct or (“PO”), once the installation service is completed and acknowledged by the customer, the Group has completed its performance obligation and revenue will be recognised upon completion of installation service.

The mobile and fixed line contracts are billed and paid on monthly basis and the sale of devices may be either billed upfront or instalment billing.

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.

Value-added services

The Group has offerings where it provides customers with additional content, such as music, video streaming, SMS services and carrier billing services, as Value-added services (VAS). For these type of services, the Group determines whether they act as a principal or agent and accordingly recognises gross revenue if it is acting as principal and net revenue where they have concluded they are an agent.

Significant financing component

If a customer can pay for purchased equipment or services over a period of time, IFRS 15 requires judgement to determine if the contract includes a significant financing component. If it does, then the transaction price is adjusted to reflect the time value of money.

Other gains / (losses)

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

Fair value gains

Fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre-existing interest in an acquire in a business combination and gains on hedging instruments that are recognised in the consolidated statement of comprehensive income

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.

Finance cost

Finance costs comprise interest expense on lease liabilities and borrowings and unwinding of the discount on provisions recognised in consolidated statement of comprehensive income.

Finance income

Finance income comprises interest income on funds invested that is recognised in the consolidated statement of comprehensive income. Interest income is recognised as it accrues in statement of comprehensive income, using the effective interest method.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)****Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization. .

Other borrowing costs are expensed in the period in which they are incurred.

Taxation*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. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
 - is not a business combination; and
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of company.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Directors' remuneration

The Company follows the Commercial Companies Law of 2019, and other latest relevant directives issued by the Financial Services Authority (Formerly known as Capital Market Authority), in regard to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to statement of comprehensive income in the year to which it relates.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements only in the period in which the dividends are approved by the Company's shareholders.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

3 Material accounting policies (continued)

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 comprehensive income except for differences arising on the retranslation of fair value through other comprehensive income which are recognised in other comprehensive income.

Property, plant and equipment

Property and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is charged to statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Capital work-in-progress is not depreciated. The estimated useful lives are as follows:

Mobile/fixed exchange and network equipment	3 – 25 years
Subscriber apparatus and other equipment	2 – 15 years
Building	3 – 20 years

The carrying values of property 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.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that it replaces is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in statement of comprehensive income as the expense is incurred. When each major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied.

An item of property 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 derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in statement of profit or loss in the period the asset is derecognised.

The assets' residual values, useful lives and methods are reviewed, and adjusted prospectively, if appropriate, at each financial year end.

Leases

The Group enters into many lease arrangements with various counter parties which include arrangements for:

- Mobile network sites: To install and operate mobile telecommunication equipment's at green fields rooftop, land etc.
- Transmission and co-located sites: Network and service planning such as hosting, cross-connection, IPLC, Co-location and backhaul facility etc.
- Retail outlets
- Vehicles
- Buildings and warehouses

This policy is applied to contracts which are or contain leases as explained below:

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)****Leases (continued)**

The Group uses the practical expedients when applying IFRS 16 to new leases when accounting for each lease component and any associated non-lease components as a single lease component.

Identification of a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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:

- 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;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the Group has the right to direct the use of the asset. The Group has the decision-making rights that are most relevant to changing 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:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

A As a lessee

Under IFRS 16, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost 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 earliest useful life of the right-of-use asset or at the end of the lease term. The estimated useful lives of the right-of-use assets is determined as the initial non-cancellable lease term adjusted by any extension or termination options available under the contract. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

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 such rate is not readily available, incremental borrowing rate of the Group. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments;
- variable lease payments that depend in an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under the purchase option that the Group is reasonably certain to exercise, 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.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)****Leases (continued)**

The lease liability is remeasured when there is a change in any of the following:

- The lease terms
- The assessment of whether the Group is reasonably certain to exercise an option to purchase the underlying asset
- The amounts expected to be payable under residual value guarantees
- Future lease payments resulting from a change in an index or rate
- In-substance fixed lease payments

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 statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents lease liabilities and right-of-use assets that do not meet the definition of investment property as separate line items in the statement of financial position classifying short and long term liabilities separately. Similarly, the depreciation/amortisation arising from the right-of-use asset has been recognised under 'Depreciation and amortisation' and interest on lease liabilities under 'Financing cost' in the statement of comprehensive income.

Short-term leases and leases of low-value assets

At the time of initial recognition, the Group shall elect to not recognise right-of-use assets and liabilities for leases where,

- the total lease term is less than or equal to 12 months i.e. short-term leases;
- value of the underlying asset is considered as a low value lease i.e. if the value of the asset when new is less than OMR 1,925.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (space for billboards, self-service machines and generators for networking sites) that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B As a lessor

When the Group acts as a lessor, it determines at inception of the lease whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)****Leases (continued)****B As a lessor (continued)**

The estimates and judgements used in the preparation of these financial statements are consistent with those used in the prior year and are disclosed below

- a. Extension and termination options are included in several leases across various classes of right-of-use assets across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In cases where lease contracts have indefinite term or are subject to auto renewal, lease term is determined considering the business case and reasonably certain renewal of lease. 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 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 lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

- b. The present value of the lease payments is determined using the discount rate representing the incremental borrowing rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-to-use asset in a similar economic environment. The Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases and makes necessary adjustments, if required, specific to the lease, eg term, country, currency. Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
- c. The Group accounts and identifies assets as a portfolio based on its similar characteristics and has applied the requirements of IFRS 16 on estimates and assumptions that reflect the size and composition of that portfolio.
- d. The Group records full provision for any future costs of decommissioning for its right of use assets. The estimate for future costs is based on current economic environment, which management believes is a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes on the underlying assumptions.
- e. The Group is not significantly exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect, as the Group has not entered into such arrangements.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of comprehensive income in the period in which the expenditure is incurred.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

3 Material accounting policies (continued)

Intangible assets (continued)

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end. 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 amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Cable capacity

Cable capacity corresponds to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. Cable capacity is recognised at cost as an asset when the Group has the specific indefeasible right to use optical fibres or wavelength bandwidth, and the duration of the right is for a fixed period.

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

	Mobile licence costs	Fixed line licence costs	Software	Cable capacity
Useful lives	Finite (15 years)	Finite (25 years)	Finite (3-5 years)	Finite (15-25 years)
Amortisation method used	Amortised on a straight line basis over the periods of availability.	Amortised on a straight line basis over the periods of availability.	Amortised on a straight line basis over the periods of availability.	Amortised on a straight line basis over the periods of availability.
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventory is based on the weighted average principle and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. An allowance is made for obsolete, slow-moving and defective inventories, where appropriate.

Employees' benefits

End of service benefits are accrued in accordance with the terms of employment of the Group employees at the reporting date, having regard to the requirements of the applicable law and in compliance with IAS-19: 'Employee Benefits'. Employee entitlements to annual leave and leave salary are recognised when they accrue to employees and an accrual is made for the estimated liability as a result of services rendered by employees up to the reporting date. These accruals are disclosed in current liabilities, while that relating to end of service benefits is disclosed as a non-current liability.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the applicable law and are recognised as an expense in the statement of comprehensive income as incurred.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)****Cash settled share-based payment transactions**

The Group provides long term incentives in the form of shadow shares (“the benefit”) to its employees. The entitlement to these benefits is based on individual performance and overall performance of the Group, subject to fulfilling certain conditions (“vesting conditions”) under documented plan and is payable every year all throughout the vesting period (“the exercise date”). The benefit is linked to the share price of the Company, and the Group proportionately recognise the liability against these benefits over the vesting period through the statement of comprehensive income, until the employees become unconditionally entitled to the benefit.

The fair value of the liability is reassessed on each reporting date and any changes in the fair value of the benefit are recognised through the statement of comprehensive income.

Once the benefit is settled in cash at the exercise date, the liability is derecognised. The amount of cash settlement is determined based on the share price of the Group at the exercise date. On breach of the vesting conditions, the liability is derecognised through the statement of comprehensive income.

Provisions*General*

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount thereof can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Site restoration provision

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 networking sites 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 networking sites 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 comprehensive income.

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 comprehensive income as a finance cost.

Royalty

Royalty is payable to the Telecommunication Regulatory Authority (“the TRA”) of the Sultanate of Oman on an accrual basis on both its Mobile and fixed line license, refer to note 13.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

3 Material accounting policies (continued)

Financial assets

Classification

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

- For assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.
- For investments in debt instruments, this depends on the business model in which the investment is held.
- For investments in equity instruments, this depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at fair value through profit and loss (FVTPL)	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at fair value through other comprehensive income (FVOCI)	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments	The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)****Financial assets (continued)***Impairment*

In applying IFRS 9 impairment requirements, an entity needs to follow one of the approaches below:

- The General approach – Under the general approach, at each reporting date, an entity recognises a loss allowance on either 12-month or life-time expected credit losses (ECL), depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.
- The Simplified approach – Under the simplified approach, an entity is not required to track changes in credit risk and requires recognition of lifetime ECL's at all times. IFRS 9 requires to use this approach in its ECL provisioning for trade receivables and contract assets that do not have a significant financing component.

For trade receivables (post-paid receivables, amount due from distributors, receivables from other telecommunication operators and due from related parties) and contract assets, the Group applies the simplified approach to providing for ECLs as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all receivables. Impairment assessment is done using a provision matrix and the ECL provision is based on the Group's historical information adjusted for future expectations using macro-economic indicators and point-in-time adjustments for probability of default (PD).

For cash in bank and call deposits, the Group applies the General approach as explained above. The Group monitors and track the credit quality of banks, where these balances are placed, for credit risk management purposes only. In view of this there has been no ECL provision recognised on these financial assets.

The Group employs statistical models to analyse the data collected and generate estimates of 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. The Group has identified GDP to be the most relevant factor and accordingly, adjusted the historical loss rates based on expected changes in the factor.

The measurement of the expected credit loss allowance for financial assets is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate model assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios and the associated ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Derecognition of financial assets and financial liabilities*Financial assets:*

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 rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****3 Material accounting policies (continued)*****Financial liabilities:***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. The recognition of a new liability, and the difference in the respective carrying amounts, is recognised in profit or loss.

Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants related to the acquisition of assets are deducted from the carrying amount of the asset once the asset is ready for its intended use. The benefit of grant is therefore recognised in profit or loss on a systematic basis over the asset's useful life by way of a reduced depreciation charge.

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 comprehensive income.

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.

Segment reporting

Segment revenues are reported to the Group's Chief Operating Decision Maker ("CODM"), which is the Board of Directors. Financial information on operating segments is presented in note 32 to the consolidated financial statements.

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.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****4 Critical accounting estimates and judgements**

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements except for leases which are disclosed in note 3:

(a) Revenue from contracts with customers

Products with multiple deliverables that have value to customers on a stand-alone basis are defined as multiple element arrangements. The transaction price for these contracts must be allocated to the performance obligations on a relative stand-alone selling price basis.

Management estimates the stand-alone selling price at contract inception based on observable prices of the type of goods to be provided and the services rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to both performance obligations based on their relative stand-alone selling prices. Where the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin.

When the Group has control of goods or services when they are delivered to a customer, then the Group is the principal in the sale to the customer; otherwise, the Group is acting as an agent. Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners; such judgements impact the amount of reported revenue and operating expenses.

The Group retains its principal status in most of its products and services based on the following indicators:

- Which entity is primarily responsible for fulfilling promise to provide specified good or service;
- Which entity has inventory risk before the specified good or service; and
- Which entity has discretion in establishing the price for the specified good or service.

(b) Extension options for leases under IFRS 16

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group considers factors including historical lease durations, regulatory requirements and the costs and business disruption required to replace the leased asset including the penalties that would be incurred as part of exercising such options wherever applicable. It reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Key sources of estimation uncertainty*(a) Impairment of trade receivables and contract assets*

The Group recognises a loss allowance for expected credit losses on trade receivables and contract assets. The measurement of the expected credit loss ("ECL") allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

At the reporting date, the Group's and Parent Company's gross trade receivables and contract assets were RO 52,105,000 (2023: RO 65,393,000) and the total provision for doubtful debts is RO 17,156,000 (2023: RO 13,772,000) and RO 17,050,000 (2023: RO 13,689,000) respectively. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income. The related details are set out in notes 15 and 31.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

4 Critical accounting estimates and judgements (continued)

Key sources of estimation uncertainty (continued)

(b) Provision for site restoration

The Group has recognised a provision for site restoration associated with the sites it leases. In determining the amount of the provision, assumptions and estimates are required in relation to discount rates and the expected cost to dismantle and remove equipment from the site and restore the land in its original condition. The carrying amount of the provision as at 31 December 2024 is RO 7,976,954 (2023: RO 7,980,365). The related details are set out in note 23.

In order to reflect the current market conditions affecting site restoration costs, a review of the estimates was carried out during 2024 by the management, and included inflation rate, interest rate, number of sites and costs per site.

(c) Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date the inventory before allowance was RO 7,676,349 (2023: 4,269,302) and the allowance for obsolete inventory amounted to RO 335,848 (2023: RO 451,617). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss and other comprehensive income (Note 16).

(d) Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. These assets are also tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(e) Depreciation/amortisation and useful lives

Depreciation and amortisation is charged so as to write off the cost of assets over their estimated useful lives. The Group's management determines the estimated useful lives of its property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the estimated useful lives of property and equipment would increase depreciation expense and decrease non-current assets.

5 Revenue

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Revenue from rendering of services	232,929	240,317	235,137	241,929
Sale of telecommunication equipment	16,355	17,186	16,355	17,186
	<u>249,284</u>	<u>257,503</u>	<u>251,492</u>	<u>259,115</u>

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

5 Revenue (continued)

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Over time	232,929	240,317	235,137	241,929
At a point in time	16,355	17,186	16,355	17,186
	<u>249,284</u>	<u>257,503</u>	<u>251,492</u>	<u>259,115</u>

6 Network, interconnect and other operating expenses

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Network operation and maintenance	26,844	26,910	26,844	26,910
Cost of equipment sold and other services	29,636	29,171	30,304	29,472
Out-payments and interconnect charges	17,709	19,577	17,709	19,577
Branding and service fees (note 27)	11,204	11,525	11,204	11,525
Regulatory and related fees	7,578	7,981	7,578	7,981
Rentals and utilities	6,285	6,264	6,285	6,267
Marketing costs and sponsorship	3,214	2,775	3,214	2,775
Amortisation on contract cost	2,704	3,167	2,704	3,167
Legal and professional fees*	844	2,230	855	2,249
Provision / (reversal of provision) for obsolete and slow-moving inventories	(82)	107	(82)	107
Other expenses	3,538	3,539	3,617	3,634
	<u>109,474</u>	<u>113,246</u>	<u>110,232</u>	<u>113,664</u>

* This includes remuneration paid to auditors' for the year 2024, which amounts to RO 98,500 for audit services and RO 36,500 for non-assurance services, which includes audit related services amounting to RO 5,000 for quarterly reviews, RO 500 for Arabic translation and RO 23,000 for agreed-upon procedures, and RO 8,000 for tax-related services.

7 Other gains – net

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Foreign currency loss net	(11)	(20)	(11)	(20)
Net gain on sale of non-financial assets	1,394	63	1,394	63
Gain on remeasurement of sites restoration provision	-	889	-	889
Others	(114)	(138)	(114)	(138)
	<u>1,269</u>	<u>794</u>	<u>1,269</u>	<u>794</u>

8 Finance income and costs

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Finance income				
Interest income on deposits	(5)	(7)	(5)	(7)
Finance costs				
Interest on leases (note 24)	1,681	2,174	1,689	2,174
Interest on bank borrowings	982	1,279	1,015	1,317
Site restoration – unwinding of discount (note 23)	202	134	202	134
Finance costs expensed	<u>2,865</u>	<u>3,587</u>	<u>2,906</u>	<u>3,625</u>
Net finance costs	<u>2,860</u>	<u>3,580</u>	<u>2,901</u>	<u>3,618</u>

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

9 Income tax

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Statement of comprehensive income				
Current tax				
- Current year	1,257	287	1,257	287
Deferred tax charge	1,030	1,673	1,030	1,673
	<u>2,287</u>	<u>1,960</u>	<u>2,287</u>	<u>1,960</u>
The movement in the current taxation liability as follows:				
Beginning of the year	338	51	338	51
Charge for the year	1,257	287	1,257	287
Payment	(201)	-	(201)	-
At the end of the year	<u>1,394</u>	<u>338</u>	<u>1,394</u>	<u>338</u>

The movement in deferred tax (liability)/asset is as follows:

Parent Company and Consolidated

	01 January 2024 RO'000	Charge to profit or loss RO'000	31 December 2024 RO'000
Property and equipment, licences and other intangible assets	(5,886)	(1,595)	(7,481)
Provisions	3,113	565	3,678
Net deferred tax liabilities	<u>(2,773)</u>	<u>(1,030)</u>	<u>(3,803)</u>

	01 January 2023 RO'000	Charge to profit or loss RO'000	31 December 2023 RO'000
Property and equipment, licences and other intangible assets	(3,841)	(2,045)	(5,886)
Provisions	2,741	372	3,113
Net deferred tax liabilities	<u>(1,100)</u>	<u>(1,673)</u>	<u>(2,773)</u>

Set out below is a reconciliation between income-tax calculated on accounting profits with income tax expense for the year:

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Profit before tax	13,558	12,452	14,140	12,719
Tax at applicable rate (15%)	2,034	1,868	2,121	1,908
Tax on non-deductible expense	224	231	224	231
Others	29	(139)	(58)	(179)
Tax expense for the year	<u>2,287</u>	<u>1,960</u>	<u>2,287</u>	<u>1,960</u>

The income tax assessment of the parent company has been finalised by the Oman Taxation Authorities up to 2020. Income tax assessments for the years 2021 onwards is yet to be completed by the Oman Taxation Authorities. The tax assessments of the Duqm Data Centre SAOC for the year 2021 is subject to agreement with the Oman taxation authorities.

As at 31 December 2024, the BEPS Pillar Two was not considered to be substantively enacted from the perspective of IAS 12 – Income Taxes since the corresponding regulations/ clarifications were yet to be prescribed.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

10 Basic and diluted earnings per share

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

	Parent Company		Consolidated	
	2024	2023	2024	2023
Profit for the year (RO'000) attributable to owners of the Parent Company	11,271	10,492	11,733	10,692
Weighted average number of shares outstanding for the year (number in thousand)	650,944	650,944	650,944	650,944
Basic and diluted earnings per share (RO)	<u>0.017</u>	<u>0.016</u>	<u>0.018</u>	<u>0.016</u>

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

11 Property, plant and equipment

Parent Company

	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>					
At 1 January 2024	737,228	105,305	10,137	16,977	869,647
Transfers	17,952	4,939	5,162	(28,053)	-
Additions	-	-	-	51,290	51,290
Cost estimation adjustment	76	-	-	-	76
Write off	(10,731)	(279)	-	-	(11,010)
At 31 December 2024	<u>744,525</u>	<u>109,965</u>	<u>15,299</u>	<u>40,214</u>	<u>910,003</u>
<i>Accumulated depreciation</i>					
At 1 January 2024	527,643	96,435	9,220	-	633,298
Charge for the year	38,021	6,977	647	-	45,645
Cost estimation adjustment	42	-	-	-	42
Write off	(10,652)	(279)	-	-	(10,931)
At 31 December 2024	<u>555,054</u>	<u>103,133</u>	<u>9,867</u>	<u>-</u>	<u>668,054</u>
<i>Net book value</i>					
At 31 December 2024	<u>189,471</u>	<u>6,832</u>	<u>5,432</u>	<u>40,214</u>	<u>241,949</u>

	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>					
At 1 January 2023	702,340	100,999	9,971	19,147	832,457
Transfers	36,089	4,786	166	(41,041)	-
Additions	-	-	-	38,871	38,871
Write off	(1,201)	(480)	-	-	(1,681)
At 31 December 2023	<u>737,228</u>	<u>105,305</u>	<u>10,137</u>	<u>16,977</u>	<u>869,647</u>
<i>Accumulated depreciation</i>					
At 1 January 2023	485,079	89,394	8,926	-	583,399
Charge for the year	43,823	7,521	294	-	51,638
Write off	(1,259)	(480)	-	-	(1,739)
At 31 December 2023	<u>527,643</u>	<u>96,435</u>	<u>9,220</u>	<u>-</u>	<u>633,298</u>
<i>Net book value</i>					
At 31 December 2023	<u>209,585</u>	<u>8,870</u>	<u>917</u>	<u>16,977</u>	<u>236,349</u>

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

11 Property, plant and equipment (continued)

Consolidated

	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>					
At 1 January 2024	737,228	106,195	10,137	16,977	870,537
Transfers	17,952	5,264	5,162	(28,378)	-
Additions	-	-	-	51,623	51,623
Reversal of impairment loss	-	157	-	-	157
Cost estimation adjustment	76	-	-	-	76
Write off	(10,731)	(280)	-	-	(11,011)
At 31 December 2024	744,525	111,336	15,299	40,222	911,382
<i>Accumulated depreciation</i>					
At 1 January 2024	527,643	97,325	9,220	-	634,188
Charge for the year	38,021	7,272	647	-	45,940
Cost estimation adjustment	42	-	-	-	42
Write off	(10,652)	(279)	-	-	(10,931)
At 31 December 2024	555,054	104,318	9,867	-	669,239
<i>Net book value</i>					
At 31 December 2024	189,471	7,018	5,432	40,222	242,143

	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>					
At 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)
At 31 December 2023	737,228	106,195	10,137	16,977	870,537
<i>Accumulated depreciation</i>					
At 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)
At 31 December 2023	527,643	97,325	9,220	-	634,188
<i>Net book value</i>					
At 31 December 2023	209,585	8,870	917	16,977	236,349

Parent Company and Consolidated

Capital work in progress includes advances given to suppliers towards purchase of property and equipment amounting to RO 15,495,280 (2023: RO 3,897,791).

For the purposes of statement of cash flows additions to purchase of property and equipment has been adjusted by RO 4,626,000 (2023: RO 8,231,000) for the net movement in trade accounts payable and accrued expenses towards capital expenditure of RO 4,831,000 (2023: RO 6,564,000) and reduction in site restoration provision of RO 205,000 (2023: RO 1,667,000) (note 23).

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

12 Right-of-use assets

Parent Company

	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 year	3,108	1,420	1,175	475	833	7,011
Depreciation for the year	(4,807)	(322)	(535)	(112)	(696)	(6,472)
Expired contract for the year – cost	(31)	-	(1,211)	(93)	(971)	(2,306)
Expired contract for the year – depreciation	31	-	1,211	93	971	2,306
Terminated contract for the year – cost	(114)	(12)	-	-	(90)	(216)
Terminated contract for the year - Depreciation	37	4	-	-	84	125
Modification during the year	(2,534)	(706)	(15)	-	-	(3,255)
Net book value as at 31 December 2024	22,146	6,461	1,162	411	1,172	31,352

	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
Depreciation for the year	(5,520)	(498)	(414)	(106)	(766)	(7,304)
Expired contract for the year – cost	(8)	-	(666)	(479)	-	(1,153)
Expired contract for the year – depreciation	8	-	666	479	-	1,153
Terminated contract for the year – cost	(381)	-	(19)	-	(137)	(537)
Terminated contract for the year - Depreciation	183	-	17	-	-	200
Modification during the year	49	-	-	-	-	49
Net book value as at 31 December 2023	26,456	6,077	537	48	1,041	34,159

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

12 Right-of-use assets (continued)

Consolidated

	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 year	3,108	1,420	1,175	475	893	7,071
Depreciation for the year	(4,807)	(322)	(535)	(112)	(729)	(6,505)
Expired contract for the year – cost	(31)	-	(1,211)	(93)	(1,128)	(2,463)
Expired contract for the year – Depreciation	31	-	1,211	93	1,136	2,471
Reversal of Impairment loss	-	-	-	-	12	12
Terminated contract for the year - cost	(114)	(12)	-	-	(90)	(216)
Terminated contract for the year – Depreciation	37	4	-	-	84	125
Modification during the year	(2,534)	(706)	(15)	-	-	(3,255)
Net book value as at 31 December 2024	22,146	6,461	1,162	411	1,219	31,399

	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 – amortisation	8	-	666	479	-	1,153
Reversal of Impairment loss	-	-	-	-	32	32
Terminated contract for the year - cost	(381)	-	(19)	-	(137)	(537)
Terminated contract for the year – amortisation	183	-	17	-	-	200
Modification during the year	49	-	-	-	-	49
Net book value as at 31 December 2023	26,456	6,077	537	48	1,041	34,159

Parent Company and Consolidated

Following the election by the Group not to recognise right-of-use assets and lease liabilities for short-term and low-value leases, RO 1,436,035 and RO 169,296 (2023: RO 1,006,993 and RO 56,175), respectively, were recognised as expenses during the year. Moreover, variable lease payments which were recognised as expenses in 2024 amounted to RO 254,248 (2023: RO 324,360).

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

13 Licences

Parent Company and Consolidated

	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 year	2,893	-	2,893
Balance at 31 December 2024	138,030	21,847	159,877
<i>Amortisation</i>			
At 1 January 2024	73,798	12,892	86,690
Amortisation during the year	5,715	853	6,568
At 31 December 2024	79,513	13,745	93,258
<i>Net book value</i>			
At 31 December 2024	58,517	8,102	66,619

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

13.1 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 license has been renewed for a further period of 15 years starting from 19 February 2020.

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 mobile licence and 10% (2023: 10%) for 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 PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

13A Other intangible assets

Parent Company and Consolidated

	Cable capacity RO'000	Software RO'000	Total RO'000
<i>Cost</i>			
At 1 January 2024	12,312	29,713	42,025
Additions	170	4,595	4,765
At 31 December 2024	<u>12,482</u>	<u>34,308</u>	<u>46,790</u>
<i>Amortisation</i>			
At 1 January 2024	2,431	24,859	27,290
Amortisation during the year	581	4,008	4,589
At 31 December 2024	<u>3,012</u>	<u>28,867</u>	<u>31,879</u>
<i>Net book value</i>			
At 31 December 2024	<u>9,470</u>	<u>5,441</u>	<u>14,911</u>

	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	<u>12,312</u>	<u>29,713</u>	<u>42,025</u>
<i>Amortisation</i>			
At 1 January 2023	1,674	21,156	22,830
Amortisation during the year	757	3,703	4,460
At 31 December 2023	<u>2,431</u>	<u>24,859</u>	<u>27,290</u>
<i>Net book value</i>			
At 31 December 2023	<u>9,881</u>	<u>4,854</u>	<u>14,735</u>

The other intangible assets represent the various software installed on the network and information technology hardware and platforms and the allocated capacity, from the owners of the interests in the cable systems.

14 Investment in subsidiaries

The Company holds 71% of its subsidiary Duqm Data Center. The subsidiary is registered in the Sultanate of Oman and its principal activities are data collection, management and operation of data preparation of other agencies on permanent basis.

As at 31 December 2024, the Group has remeasured its impairment assessment of investment in subsidiary by comparing the recoverable amount (higher of the estimated value in use of the underlying assets and the fair value less cost to sell) with its carrying value.

The recoverable amount of CGUs was determined based on value in use calculated using discounted future cash flow projections by management covering a period of five years. During the year, the Group has remeasured its impairment loss to RO 453,000 (2023 - RO 622,000), with RO 453,000 (2023 - RO 610,000) to Property, plant and equipment and RO Nil (2023 - RO 12,000) to Right-of-use assets. The Parent Company has recognized impairment loss of RO 1,405,000 (2023 – RO 1,405,000) for its investment in the subsidiary as at 31 December 2024.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

14 Investment in subsidiaries (continued)

The movement in the impairment of non-financial assets is as follows:

	2024	2023
	RO'000	RO'000
Balance at 1 January	622	657
Reversal of impairment loss during the year	(169)	(35)
Balance at 31 December	453	622

The financial information of Duqm Data Center is not presented in these financial statements as the non-controlling interests are not material to the Group.

During November 2021, the Company formed a new subsidiary, Gulf Tower Company SPC (“the Subsidiary”) in which the Company owns 100% of the share capital. This subsidiary is registered in the Sultanate of Oman and its principal activities will be to carry on business relating to wired telecommunications, maintenance of networks and renting of communication equipment. This subsidiary has not commenced operations as of 31 December 2024.

15 Trade and other receivables

	Parent Company		Consolidated	
	2024	2023	2024	2023
	RO'000	RO'000	RO'000	RO'000
Trade receivables	36,486	49,428	36,486	49,428
Trade receivables – related parties (note 27)	499	553	499	553
Contract assets	15,120	15,412	15,120	15,412
	52,105	65,393	52,105	65,393
Less: allowances for impairment of:				
- Trade receivables (note 31)	(16,332)	(12,925)	(16,438)	(13,008)
- Contract assets (note 31)	(718)	(764)	(718)	(764)
	35,055	51,704	34,949	51,621
Prepaid expenses and other receivables	13,996	10,379	15,283	11,364
Deferred cost	41	212	41	212
Due from related parties (note 27)	336	317	-	-
Less: allowances for impairment of related parties	(292)	(292)	-	-
	49,136	62,320	50,273	63,197
Less: non-current portion of:				
- Contract assets	(3,242)	(3,710)	(3,242)	(3,710)
Current portion of trade and other receivables	45,894	58,610	47,031	59,487

The Group's trade receivables consist of postpaid receivables, due from distributors and receivables from other telecommunication operators.

Unimpaired receivables are expected, to be substantially recoverable. It is not the practice of the Group to obtain collateral over receivables and virtually most are, therefore, unsecured. However, sales made to distributors are backed with their corporate/bank guarantees and certain post-paid customers' balances are secured by deposits. For more details on the Group's impairment of its receivables, refer to note 31.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

15A Contract costs

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Other assets recognised for cost incurred to obtain and fulfil a contract	3,567	4,311	3,493	4,238
Less: non-current portion of:				
- Other assets recognised for costs incurred to obtain and fulfil a contract	(915)	(1,201)	(841)	(1,128)
Current portion	<u>2,652</u>	<u>3,110</u>	<u>2,652</u>	<u>3,110</u>

The 'other assets recognised for cost incurred to obtain and fulfil a contract' are amortised on a straight-line basis over the term of the average contractual life. Amortisation during the year amounted to RO 5,088,495 (2023: RO 5,261,830).

16 Inventories

Parent Company and Consolidated

	2024 RO'000	2023 RO'000
Gross inventories	7,676	4,269
Less: provision for obsolete and slow moving inventories	(335)	(451)
	<u>7,341</u>	<u>3,818</u>

17 Cash and cash equivalents

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Cash and bank balances	2,538	1,549	2,785	1,365
Call deposits	1,136	2,057	1,136	2,057
Total	<u>3,674</u>	<u>3,606</u>	<u>3,921</u>	<u>3,422</u>

Call deposits are placed with a commercial bank and that have maturities on demand.

18 Share capital

	Authorised		Issued and fully paid	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Ordinary shares – par value RO 0.1	<u>70,000</u>	<u>70,000</u>	<u>65,094</u>	<u>65,094</u>

Major shareholders

Details of shareholders who hold 10% or more of the Parent Company's shares are as follows:

	2024		2023	
	Number of shares	%	Number of shares	%
Seyoula International Investment W.L.L.	<u>358,019,310</u>	<u>55</u>	<u>358,019,310</u>	<u>55</u>

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

19 Dividends

The Directors proposed a dividend of baisa 14.7 per share for the 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.

The Directors have proposed a dividend of baisa 11.53 per share for year ended 31 December 2024 amounting to RO 7.505 million. This is subject to approval of the Company's shareholders at the Annual General Meeting to be held on 12 March 2025.

20 Legal reserve

Article 132 of the Commercial Companies Law of 2019 requires that 10% of Parent Company's profit for the year be transferred to a non-distributable statutory reserve until the amount of statutory reserve becomes equal to one-third of the Company's issued share capital. This reserve is not available for distribution.

21 Contract liabilities and deferred income:

The Group has recognised the following contract liabilities and deferred income related to its contracts with customers:

	Parent Company		Consolidated	
	2024	2023	2024	2023
	RO'000	RO'000	RO'000	RO'000
Contract liabilities*	1,113	688	1,374	688
Deferred income:				
- prepaid	2,870	3,604	2,870	3,604
- loyalty points	329	342	329	342
Others	33	33	33	33
	3,232	3,979	3,232	3,979
	4,345	4,667	4,606	4,667

* The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised over time.

Significant portion of deferred income pertaining to prior year was recognised as revenue in the current year. There is no revenue recognised in the current year that is related to performance obligations that were satisfied in the prior years.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

22 Loans and borrowings

Parent Company and Consolidated

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Long-term loan	-	-	198	338
Short-term loan	8,703	13,966	8,773	14,036
	8,703	13,966	8,971	14,374

Duqm Data Centre SAOC obtained a term loan from a commercial bank at an interest rate of 6.5% per annum, that is repayable in 15 equal quarterly instalments after a moratorium period of 12 months. The term loan is secured against the negative lien on all assets of the subsidiary company amounting to RO 2,582,353 (net book value before impairment).

As of 31 December 2024, the Group has available funds for drawdown of RO 86.4 million (31 December 2023: RO 71.287 million) and the Company has available funds for drawdown of RO 86.4 million (31 December 2023: RO 71.090 million) with short term facilities maturing in October 2025 and October 2026. The short-term loans are unsecured and payable in 12 months with effective interest rates of FD rate+1.75%.

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

22A Reconciliation of movements of liabilities to cash flows arising from financing activities

Parent Company

	Liabilities		Equity	Total
	Loans and borrowings	Lease liabilities	Retained earnings	
Balance at 1 January 2024	13,966	37,182	172,502	223,650
Proceeds from loan and borrowings	49,500	-	-	49,500
Repayment of loan and borrowings	(54,810)	-	-	(54,810)
Repayment of lease principal	-	(7,591)	-	(7,591)
Dividend paid	-	-	(9,569)	(9,569)
Total changes from financing cash flows	(5,310)	(7,591)	(9,569)	(22,470)
Other changes				
Liability-related				
New leases	-	7,011	-	7,011
Interest expense	982	1,681	-	2,663
Interest paid	(935)	(1,786)	-	(2,721)
Adjustment for modification / expiration for the year	-	(4,674)	-	(4,674)
Total liability-related other changes	47	2,232	-	2,279
Total equity-related other changes	-	-	11,271	11,271
Balance at 31 December 2024	8,703	31,823	174,204	214,730

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

22 Loans and borrowings (continued)

22A Movement in financing activities (continued)

Parent Company (continued)

	Liabilities		Equity	Total
	Loans and borrowings	Lease liabilities	Retained earnings	
Balance at 1 January 2023	1,736	43,948	175,029	220,713
Proceeds from loan and borrowings	69,000	-	-	69,000
Repayment of loan and borrowings	(56,766)	-	-	(56,766)
Repayment of lease principal	-	(8,681)	-	(8,681)
Dividend paid	-	-	(13,019)	(13,019)
Total changes from financing cash flows	12,234	(8,681)	(13,019)	(9,466)
Other changes				
Liability-related				
New leases	-	3,079	-	3,079
Interest expense	1,279	2,174	-	3,453
Interest paid	(1,283)	(2,990)	-	(4,273)
Adjustment for modification / expiration for the year	-	(348)	-	(348)
Total liability-related other changes	(4)	1,915	-	1,911
Total equity-related other changes	-	-	10,492	10,492
Balance at 31 December 2023	13,966	37,182	172,502	223,650

Consolidated

	Liabilities		Equity	Total
	Loans and borrowings	Lease liabilities	Retained earnings	
Balance at 1 January 2024	14,374	37,213	172,146	223,733
Proceeds from loan and borrowings	49,500	-	-	49,500
Repayment of loan and borrowings	(54,950)	-	-	(54,950)
Repayment of lease principal	-	(7,625)	-	(7,625)
Dividend paid	-	-	(9,569)	(9,569)
Total changes from financing cash flows	(5,450)	(7,625)	(9,569)	(22,644)
Other changes				
Liability-related				
New leases	-	7,071	-	7,071
Interest expense	1,015	1,689	-	2,704
Interest paid	(968)	(1,794)	-	(2,762)
Adjustment for modification / expiration for the year	-	(4,666)	-	(4,666)
Total liability-related other changes	47	2,300	-	2,347
Total equity-related other changes	-	-	11,733	11,733
Balance at 31 December 2024	8,971	31,888	174,310	215,169

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

22 Loans and borrowings (continued)

22A Movement in financing activities (continued)

Consolidated (continued)

	Liabilities		Equity	Total
	Loans and borrowings	Lease liabilities	Retained earnings	
Balance at 1 January 2023	2,249	44,006	174,473	220,728
Proceeds from loan and borrowings	69,000	-	-	69,000
Repayment of loan and borrowings	(56,871)	-	-	(56,871)
Repayment of lease principal	-	(8,708)	-	(8,708)
Dividend paid	-	-	(13,019)	(13,019)
Total changes from financing cash flows	12,129	(8,708)	(13,019)	(9,598)
Other changes				
Liability-related				
New leases	-	3,079	-	3,079
Interest expense	1,279	2,174	-	3,453
Interest paid	(1,283)	(2,990)	-	(4,273)
Adjustment for modification / expiration for the year	-	(348)	-	(348)
Total liability-related other changes	(4)	1,915	-	1,911
Total equity-related other changes	-	-	10,692	10,692
Balance at 31 December 2023	14,374	37,213	172,146	223,733

23 Site restoration provision

Parent Company and Consolidated

Site restoration provision as of the reporting date amounted to RO 7,976,954 (2023: RO 7,980,365). In the course of the Group's activities a number of sites are utilised which are expected to have costs associated with restoration of the assets. The associated cash outflows are expected to occur at the dates of exit of the assets to which they relate. These assets are long-term in nature, primarily in the period of 15 years from when the asset is brought into use. The Group is committed to restore each site as it is vacated. A movement schedule is set out below:

	2024 RO'000	2023 RO'000
Balance at 1 January	7,980	10,402
Reversal during the year (note 11)	(205)	(1,667)
Adjustment to site restoration cost	-	(889)
Unwinding of discount (note 8)	202	134
Balance at 31 December	7,977	7,980

The provision is recognised based on the following significant assumptions:

	2024 RO'000	2023 RO'000
Average period to restoration (years)	15	15
Inflation rate	2.0%	1.9%
Discount rate	5.4%	5.4%

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

23 Site restoration provision (continued)

Parent Company and Consolidated (continued)

Reasonably possible changes at the reporting date to one of the relevant assumptions, holding other assumptions constant, would have affected the site restoration provision by the amounts shown below.

	2024		2023	
	Increase RO'000	Decrease RO'000	Increase RO'000	Decrease RO'000
Average period to restoration (1 year change)	(193)	182	(212)	202
Inflation rate (1% movement)	363	(338)	436	(402)
Discount rate (1% movement)	(325)	354	(386)	425

24 Lease liabilities

Parent Company

	2024 RO'000	2023 RO'000
Maturity analysis - contractual undiscounted cash flow		
Less than one year	9,199	10,122
One to five years	16,175	20,722
More than five years	14,502	15,116
Total undiscounted lease liabilities at 31 December	39,876	45,960

Movement in lease liabilities during the year is as follows:

	2024 RO'000	2023 RO'000
At beginning of year	37,182	43,948
Principal element of lease payments	(7,591)	(8,681)
Additions during the year (note 12)	7,011	3,079
Interest expense on lease liabilities (note 8)	1,681	2,174
Payment of interest portion of lease liabilities	(1,786)	(2,990)
Adjustment for modification or termination for the year	(4,674)	(348)
	31,823	37,182
Lease liabilities included in the statement of financial position at 31 December		
Current	7,625	8,312
Non-current	24,198	28,870

Consolidated

	2024 RO'000	2023 RO'000
Maturity analysis - contractual undiscounted cash flow		
Less than one year	9,199	10,146
One to five years	16,240	20,722
More than five years	14,502	15,116
Total undiscounted lease liabilities at 31 December	39,941	45,984

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

24 Lease liabilities (continued)

Consolidated (continued)

Movement in lease liabilities during the year is as follows:

	2024 RO'000	2023 RO'000
At beginning of year	37,213	44,006
Principal element of lease payments	(7,625)	(8,708)
Additions during the year (note 12)	7,071	3,079
Interest expense on lease liabilities (note 8)	1,689	2,174
Payment of interest portion of lease liabilities	(1,794)	(2,990)
Adjustment for modification or termination for the year	(4,666)	(348)
	<u>31,888</u>	<u>37,213</u>
Lease liabilities included in the statement of financial position at 31 December		
Current	<u>7,625</u>	<u>8,312</u>
Non-current	<u>24,263</u>	<u>28,901</u>

For the details of extension options, refer to note 4 (b).

25 Employee benefits

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Employees' end of service benefits (note a)	1,947	2,087	1,970	2,095
Cash settled share-based payments (note b)	897	689	897	689
Total employee benefits	<u>2,844</u>	<u>2,776</u>	<u>2,867</u>	<u>2,784</u>
Less: current liability for cash settled share-based payments (note b)	<u>(897)</u>	<u>(689)</u>	<u>(897)</u>	<u>(689)</u>
Non-current liability as at the end of the year	<u>1,947</u>	<u>2,087</u>	<u>1,970</u>	<u>2,095</u>

a) The movement in the employees' end of service benefits is as follows:

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Balance at 1 January	2,087	1,885	2,095	1,890
(Reversed) / Provided during the year	(93)	337	(78)	340
Paid during the year	<u>(47)</u>	<u>(135)</u>	<u>(47)</u>	<u>(135)</u>
Balance at 31 December	<u>1,947</u>	<u>2,087</u>	<u>1,970</u>	<u>2,095</u>

b) Cash settled share-based payments pertains to the Company's Long Term Incentive Scheme (LTI) for the management team based on the Company achieving threshold performance levels. Individual LTI eligibility is converted into notional shadow shares based on the average share price 90 days prior to the grant date. The vesting and subsequent pay out of the shadow shares is staggered over a period of three years from the grant year.

26 Trade and other payables

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Trade payables	20,460	30,048	20,770	30,284
Accrued expenses – operating expenses	45,732	46,690	46,049	46,944
Accrued expenses – capital expenses	21,859	19,394	21,859	19,394
Amounts due to related parties (note 27)	5,655	3,577	5,557	3,437
Deposits from customers	1,087	917	1,087	917
	<u>94,793</u>	<u>100,626</u>	<u>95,322</u>	<u>100,976</u>

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

27 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:

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
<i>Entities under common control:</i>				
Service fees (note 6)	7,478	7,686	7,478	7,686
Brand licence fees (note 6)	3,726	3,839	3,726	3,839
Other expenses	228	243	228	243
	<u>11,432</u>	<u>11,768</u>	<u>11,432</u>	<u>11,768</u>
Expenses – subsidiaries	<u>130</u>	<u>159</u>	<u>-</u>	<u>-</u>

Effective 1 January 2008, the Company has entered into a technical and service agreement with Ooredoo Group LLC (formerly Qtel international LLC). In consideration of services provided, the Company pays a service fee.

Effective 1 October 2016, the Company has entered into a brand licensing agreement with Ooredoo IP LLC. In consideration of using the brand "OOREDOO", the Company pays a brand licence fee to Ooredoo IP LLC.

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

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Payables				
Entities under common control (note 26)	<u>5,655</u>	<u>3,577</u>	<u>5,557</u>	<u>3,437</u>
Receivables				
Entities under common control – trade	499	553	499	553
Subsidiaries - non-trade	336	317	-	-
Allowances for impairment of related parties	(292)	(292)	-	-
	<u>543</u>	<u>578</u>	<u>499</u>	<u>553</u>

Compensation of key management personnel

The remuneration of members of key management and directors during the year was as follows:

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Salaries / remuneration and benefits	1,687	1,697	1,769	1,779
Share-based payments	190	116	190	116
Directors' remuneration	150	150	161	159
Employees' end of service benefits	7	-	11	4
	<u>2,034</u>	<u>1,963</u>	<u>2,131</u>	<u>2,058</u>

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

27 Related party transactions (continued)

The Group enters into commercial transactions as follows:

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
<i>Entities under common control:</i>				
Telecom revenues	5,773	11,144	5,773	11,144
Telecom costs	628	555	628	555
Purchase of intangible assets	85	85	85	85
Expenses incurred on behalf and reimbursed from related party	130	193	130	193
<i>Subsidiaries:</i>				
Other services	16	85	-	-

28 Government grant

Parent Company and Consolidated

	2024 RO'000	2023 RO'000
At 1 January	-	-
Recognised during the year – Asset acquisition	1,881	-
Offset against asset during the year	-	-
At 31 December	<u>1,881</u>	<u>-</u>
Non-current	1,881	-
Current	-	-
	<u>1,881</u>	<u>-</u>

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 year, 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.

29 Capital commitments

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Capital commitments				
Estimated capital expenditure contracted for at the reporting date:				
Property and equipment	9,653	10,040	9,653	10,040

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

30 Contingent liabilities

Parent Company and Consolidated

Guarantees

At 31 December 2024, the Group had contingent liabilities in respect of Letter of Credits of RO 2,503,150. (2023: RO 2,503,150). It is anticipated that no material liabilities are expected to arise from these.

At 31 December 2024, the Group had other contingent liabilities in respect of Letter of Guarantees of RO 494,636 (2023: RO 435,163).

31 Risk management

The Group's principal financial liabilities comprise interest bearing borrowings, lease liabilities, trade and other payables and due to related parties. The main purpose of these financial instruments is to support the Group's operations. The Group has various financial assets, such as trade receivables, contract assets, cash, and short-term deposits, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) *Market risk*

(i) *Foreign exchange 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 payable and accruals include amounts payable in US Dollars. As of the reporting date, this USD denominated payable amount was approximately 14% (2023:13%) of the Group's total payables and accruals. The Omani Rial is pegged to the US Dollar. There are no other significant financial instruments in foreign currency other than US Dollars and consequently foreign currency risk is mitigated.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its short-term debt obligations with floating interest rates as at 31 December 2024. The Group's call deposits are short term in nature and therefore, the Group is not exposed to interest rate risk. Management believes that any change in interest rates would not materially affect the Group's performance.

(b) *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, contract assets and bank balances. The Group trades only with recognised, creditworthy dealers and operators. Its two largest dealers' balances account for 6% of outstanding unimpaired trade receivables at 31 December 2024 (2023: three largest dealers amounting to 7%).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The maximum exposure to credit risk at the reporting date was:

	Parent Company		Consolidated	
	2024 RO'000	2023 RO'000	2024 RO'000	2023 RO'000
Trade receivables	36,486	49,428	36,486	49,428
Trade receivables - related parties	499	553	499	553
Contract assets	15,120	15,412	15,120	15,412
Due from related parties	44	25	-	-
Other receivables	1,428	301	2,358	1,110
Cash and cash equivalents	3,656	3,586	3,903	3,402
Total	57,233	69,305	58,366	69,905

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

31 Risk management (continued)

(b) Credit risk (continued)

Credit risk on trade receivables and contract assets is limited to their carrying values as management regularly reviews these balances to assess recoverability and makes provision for balances whose recoverability is in doubt. The exposure of credit risk from amounts due from other telecommunication operators is minimal as the amounts are driven by contractual arrangements. For contract assets, this is automatically billed based on the customers billing cycle and thus have a very minimal credit risk.

The Group obtains bank/corporate guarantees from some of its dealers in order to mitigate its credit risk. It is the Group's policy that certain credit verification is performed for all of the Group's post-paid subscribers. In addition, receivable balances are monitored on an ongoing basis.

The carrying amounts of the Group's trade receivables are significantly denominated in Omani rial and US Dollars, while only minimal balance pertains to other currencies. On the other hand, all contract assets are denominated in Omani Rial. Consequently, foreign currency risk is mitigated.

With respect to exposures with banks, management considers the credit risk exposure to be minimal as the Group deals with local and foreign reputed banks. The ratings of these banks range from Ba1 to Aa2 in 2024. Management does not expect any losses from non-performance by these counterparties.

With respect to credit risk arising from the other financial assets including other receivables and due from related parties of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Security

For some receivables, the Group may obtain security in the form of bank guarantees which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment of financial assets

The group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk [refer to note 3 (Financial assets)].

Trade receivables and contract assets

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of these financial assets. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. With this, the trade receivables were grouped into postpaid receivables, due from distributors and receivables from other telecommunication operators for purposes of computation of ECL on a collective basis.

Parent Company

31 December 2024	Not due	31-60 days	61-90 days	Over 90 days	Total
Expected credit loss rate					
Trade receivables	2%	13%	17%	81%	-
Trade receivables - related parties	-	-	-	-	-
Contract assets	5%	-	-	-	-
Gross carrying amount					
Trade receivables	13,150	2,434	2,082	18,820	36,486
Trade receivables - related parties	115	136	218	30	499
Contract assets	15,120	-	-	-	15,120
Total	28,385	2,570	2,300	18,850	52,105
Loss allowance					
Trade receivables	322	321	353	15,336	16,332
Trade receivables - related parties	-	-	-	-	-
Contract assets	718	-	-	-	718
Total	1,040	321	353	15,336	17,050

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

31 Risk management (continued)

(b) Credit risk (continued)

Trade receivables and contract assets (continued)

Consolidated

31 December 2024	Not due	31-60 days	61-90 days	Over 90 days	Total
Expected credit loss rate					
Trade receivables	3%	13%	17%	81%	-
Trade receivables - related parties	-	-	-	-	-
Contract assets	5%	-	-	-	-
Gross carrying amount					
Trade receivables	13,150	2,434	2,082	18,820	36,486
Trade receivables - related parties	115	136	218	30	499
Contract assets	15,120	-	-	-	15,120
Total	28,385	2,570	2,300	18,850	52,105
Loss allowance					
Trade receivables	428	321	353	15,336	16,438
Trade receivables - related parties	-	-	-	-	-
Contract assets	718	-	-	-	718
Total	1,146	321	353	15,336	17,156

Impairment of financial assets

Parent Company

31 December 2023	Not due	31-60 days	61-90 days	Over 90 days	Total
Expected credit loss rate					
Trade receivables	1%	9%	20%	68%	-
Trade receivables - related parties	-	-	-	-	-
Contract assets	5%	-	-	-	-
Gross carrying amount					
Trade receivables	26,746	3,427	1,814	17,441	49,428
Trade receivables - related parties	542	10	-	1	553
Contract assets	15,412	-	-	-	15,412
Total	42,700	3,437	1,814	17,442	65,393
Loss allowance					
Trade receivables	301	321	371	11,932	12,925
Trade receivables - related parties	-	-	-	-	-
Contract assets	764	-	-	-	764
Total	1,065	321	371	11,932	13,689

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

31 Risk management (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

Consolidated

31 December 2023	Not due	31-60 days	61-90 days	Over 90 days	Total
Expected credit loss rate					
Trade receivables	1%	9%	20%	68%	-
Trade receivables - related parties	-	-	-	-	-
Contract assets	5%	-	-	-	-
Gross carrying amount					
Trade receivables	26,746	3,427	1,814	17,441	49,428
Trade receivables - related parties	542	10	-	1	553
Contract assets	15,412	-	-	-	15,412
Total	42,700	3,437	1,814	17,442	65,393
Loss allowance					
Trade receivables	384	321	371	11,932	13,008
Trade receivables - related parties	-	-	-	-	-
Contract assets	764	-	-	-	764
Total	1,148	321	371	11,932	13,772

Movements in allowance for impairment of trade receivables and contract assets are as follows:

Parent Company

31 December 2024	Post-paid receivables	Other telecommunication operators	Due from related parties	Contract assets	Total
Opening loss allowance at 1 January	11,421	1,504	-	764	13,689
Charge/(reversal) for the year	3,266	92	-	(46)	3,312
Written off during the year	49	-	-	-	49
Closing loss allowance at 31 December	14,736	1,596	-	718	17,050

Consolidated

31 December 2024	Post-paid receivables	Other telecommunication operators	Due from related parties	Contract assets	Total
Opening loss allowance at 1 January	11,421	1,587	-	764	13,772
Charge/(reversal) for the year	3,266	115	-	(46)	3,335
Written off during the year	49	-	-	-	49
Closing loss allowance at 31 December	14,736	1,702	-	718	17,156

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

31 Risk management (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

Parent Company

31 December 2023	Post-paid receivables	Other telecommunication operators	Due from related parties	Contract assets	Total
Opening loss allowance at 1 January	10,338	1,088	42	595	12,063
Charge/(reversal) for the year	3,299	416	(42)	169	3,842
Written off during the year	(2,216)	-	-	-	(2,216)
Closing loss allowance at 31 December	11,421	1,504	-	764	13,689

Consolidated

31 December 2023	Post-paid receivables	Other telecommunication operators	Due from related parties	Contract assets	Total
Opening loss allowance at 1 January	10,338	1,136	42	595	12,111
Charge/(reversal) for the year	3,299	451	(42)	169	3,877
Written off during the year	(2,216)	-	-	-	(2,216)
Closing loss allowance at 31 December	11,421	1,587	-	764	13,772

The Group writes off its trade receivables and contract assets when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. These written off accounts are individually identified on account level mainly based on their aging balances. There is no provision for impairment for amount due from distributors as at 31 December 2024 and 2023.

Management believes that the expected credit loss on cash and cash equivalents, other receivables and due from related parties are not material to consolidated financial statement. The Company recorded provision amounting to RO 292,000 for such financial assets at 31 December 2024 and 2023.

(c) 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:

Parent Company

As at 31 December 2024	Contractual cash flows					Total RO'000
	Carrying amount RO'000	Less than 3 months RO'000	3 to 12 months RO'000	1 to 5 years RO'000	More than 5 years RO'000	
Lease liabilities	31,823	458	8,741	16,175	14,502	39,876
Trade and other payables	89,138	68,018	21,120	-	-	89,138
Due to related parties	5,655	5,655	-	-	-	5,655
Loans and borrowings	8,703	8,703	-	-	-	8,703
Total	135,319	82,834	29,861	16,175	14,502	143,372

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

31 Risk management (continued)

(c) Liquidity risk (continued)

Parent Company (continued)

As at 31 December 2023	Carrying amount RO'000	Less than 3 months RO'000	Contractual cash flows			Total RO'000
			3 to 12 months RO'000	1 to 5 years RO'000	More than 5 years RO'000	
Lease liabilities	37,182	250	9,872	20,722	15,116	45,960
Trade and other payables	97,089	76,491	20,598	-	-	97,089
Due to related parties	3,537	3,537	-	-	-	3,537
Loans and borrowings	13,966	13,966	-	-	-	13,966
Total	151,774	94,244	30,470	20,722	15,116	160,552

Consolidated

As at 31 December 2024	Carrying amount RO'000	Less than 3 months RO'000	Contractual cash flows			Total RO'000
			3 to 12 months RO'000	1 to 5 years RO'000	More than 5 years RO'000	
Lease liabilities	31,888	458	8,741	16,240	14,502	39,941
Trade and other payables	89,765	68,504	21,261	-	-	89,765
Due to related parties	5,557	5,557	-	-	-	5,557
Loans and borrowings	8,971	8,971	-	-	-	8,971
Total	136,181	83,490	30,002	16,240	14,502	144,234

Consolidated

As at 31 December 2023	Carrying amount RO'000	Less than 3 months RO'000	Contractual cash flows			Total RO'000
			3 to 12 months RO'000	1 to 5 years RO'000	More than 5 years RO'000	
Lease liabilities	37,213	254	9,892	20,722	15,116	45,984
Trade and other payables	97,539	76,823	20,716	-	-	97,539
Due to related parties	3,437	3,437	-	-	-	3,437
Loans and borrowings	14,374	14,374	-	-	-	14,374
Total	152,563	94,888	30,608	20,722	15,116	161,334

(d) Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, human error, and systems failure, or from external events. The Group has a set of policies and procedures, which are approved by the Board of Directors and are applied to identify, assess and supervise operational risk. The management ensures compliance with policies and procedures, and monitors operational risk as part of its overall risk management strategy. Internal audit function is also utilised by the Group in mitigating this risk.

(e) Capital management

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2024 and 2023. Capital comprises share capital, reserves and retained earnings, and is measured at RO 261,102,000 as at 31 December 2024 (2023: RO 258,938,000). Capital requirements are prescribed by the Commercial Companies Law of 2019.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in the statement of financial position including non-controlling interest). Net debt is calculated as total borrowings less cash and cash equivalents.

The gearing ratio of the Parent Company and the Group as at 31 December 2024 is 2% (2023: 4%).

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

32 Segment information

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

For management purposes, 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 pre-paid 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 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 consolidated revenue for the year ended 31 December 2024 are as follows:

	Mobile RO'000	Fixed line RO'000	Total RO'000
Revenue			
External sales	<u>178,329</u>	<u>73,163</u>	<u>251,492</u>

Segmental consolidated revenue for the year ended 31 December 2023 are as follows:

	Mobile RO'000	Fixed line RO'000	Total RO'000
Revenue			
External sales	<u>187,126</u>	<u>71,989</u>	<u>259,115</u>

33 Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents, trade receivables, contract assets, due from related parties – non-trade and other receivables. Financial liabilities consist of interest-bearing borrowings, lease liabilities, trade and other payables and due to related parties.

Due to the short-term nature of the trade receivables, contract assets, due from related parties – non-trade and other receivables, trade and other payables and due to related parties, their carrying amount is considered to be the same as their fair value by the Company's Board of Directors.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

The fair value financial asset and financial liabilities is not disclosed since their carrying amount is a reasonable approximation of fair value.

Level 1: inputs are quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****33 Fair values of financial instruments (continued)****Fair value hierarchy (continued)**

Level 2: inputs are inputs, other than quoted prices included within level 1 that are observable for assets or liability, either directly or indirectly.

Level 3: inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or a liability fall into 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 fair value of the cash settled share-based payments is worked out using the level 2 valuation technique.

There were no transfers between the levels during the current as well as the previous year.